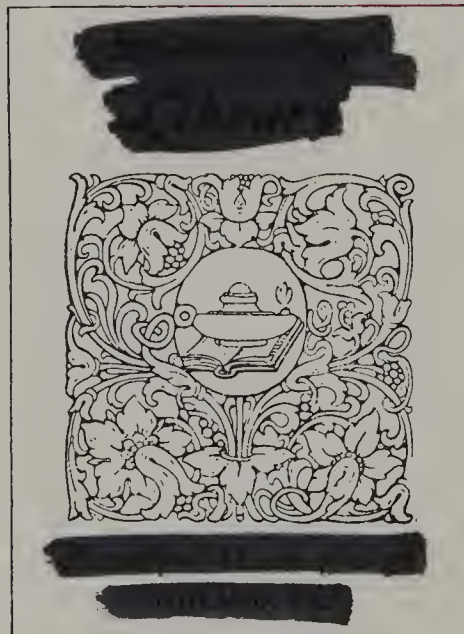


**U.S. Post
Cold War Foreign Policy**

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U.S. POST COLD WAR FOREIGN POLICY

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HEARINGS

BEFORE THE

COMMITTEE ON FOREIGN AFFAIRS

HOUSE OF REPRESENTATIVES

ONE HUNDRED SECOND CONGRESS

SECOND SESSION

MAY 6, 13, 14, 20, AND 21, 1992

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FOREWORD

Now that the cold war has drawn to a close, we find ourselves seeking to define the role of the United States in a new world. This will require fresh thinking, but no less skill and determination than that which guided our policies for the past 40 years. While the specter of nuclear war has lessened with the disintegration of the Soviet empire, the one thing we can say with certainty about our future is that it will be much harder to predict.

These hearings represent an attempt to begin to identify the issues, policies and principles which will help guide us into the next century. Major questions include:

- The growing importance of economics and trade in the conduct of our foreign policy and how economic factors can be better integrated into the foreign policymaking process;
- How our foreign assistance programs can more effectively advance U.S. interests and contribute to a reduction in global poverty;
- The reshaping of our armed forces and the circumstances under which we will commit those forces, particularly when our national interests are not directly at stake;
- How we prevent the proliferation of weapons of mass destruction and how we assure orderly global reduction in nuclear arsenals;
- How we can best take advantage of new opportunities to advance global cooperation;
- What new ways we can find to strengthen global security and deter regional and ethnic violence; and
- What changes we should make in the structure and responsibilities of our foreign affairs agencies.

To explore these issues and others, we have called upon the expertise of a number of distinguished former officials who have served Presidents from Truman to Reagan. It is my hope that the insights provided in these pages will offer some guidance on how we can more effectively manage the problems, challenges, and opportunities which lie ahead.

On behalf of the committee, I want to express our appreciation to Congressmen Lee H. Hamilton and Stephen J. Solarz for their roles in initiating and shaping these hearings. In addition, we appreciate the cooperation of the ranking minority Member, William S. Broomfield. I also want to extend our thanks to the staff which, as always, worked tirelessly to assure the success of these hearings. Above all, we are grateful to the witnesses for their excellent contributions to our deliberations.

DANTE B. FASCELL,
Chairman.

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U.S. POST COLD WAR FOREIGN POLICY

WEDNESDAY, MAY 6, 1992

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The committee met, pursuant to call, at 9:40 a.m. in room 2172, Rayburn House Office Building, Hon. Dante B. Fascell (chairman of the committee) presiding.

OPENING STATEMENT OF HON. DANTE B. FASCELL

Chairman FASCELL. The committee will come to order.

The cold war has been won, we hope, and there is good news and bad news. The good news is both sides are the victors. The emergence of democratic governments in Eastern Europe and the former Soviet Union, the peaceful unification of Germany, and the end of nuclear confrontation are occasions for rejoicing.

The bad news is there are new problems which threaten world peace that cry out for solutions.

National conflicts, economic instability, and recession present the world and the United States with unparalleled challenge.

The objective of these hearings is to embark on a public debate about the foreign policy the United States should undertake in the post-cold war era. To assist the committee, we have asked some of the most prominent public officials of the last generation to appear before the committee and present their views.

Our first witness will be Dr. James Schlesinger, Secretary of Defense from 1973 to 1975. Following Dr. Schlesinger, we will hear from Clark Clifford, Secretary of Defense from 1968 to 1969.

Dr. Schlesinger, please proceed.

STATEMENT OF THE HON. JAMES R. SCHLESINGER, FORMER SECRETARY OF DEFENSE

Mr. SCHLESINGER. Thank you, Mr. Chairman. I am delighted to be here with you today, and I think that your introductory remarks were a vignette of the future for American foreign policy.

Mr. Chairman, and members of the committee, it is a special privilege to appear before you today, as the committee launches these important hearings on the nature and the goals of U.S. foreign policy now that the cold war has been successfully concluded and the long-feared Soviet threat essentially gone.

These hearings parallel in significance those conducted by this committee after the close of World War II, when the seizure of Eastern Europe, the partial vacuums in Western Europe and

Japan, and the new challenge posed by Stalin led over a period of years to a remarkable and responsive foreign policy for this Nation. Now, as those circumstances disappear into the mists of history, those responses, successful as they were, must be reviewed for they no longer suit current circumstances.

RADICALLY ALTERED INTERNATIONAL ENVIRONMENT

Mr. Chairman, in this brief statement, I have time only to touch on certain highlights. I start with the radically altered international environment. All too many will find it hard to acknowledge the extent of change and its implications. This is particularly true for a nation like this one, whose role was so large and whose policies so successful—to acknowledge after such a triumph that certain changes in our role and in our relations will be unwelcome.

We will be tempted to rest upon our laurels. Rather than seriously to reconstruct our foreign policy, we will be tempted to believe that a few, modest adjustments will suffice. The consequence would be that we shall fail most effectively to deal with these new conditions—and that to other major players on the world scene, we will appear to be progressively less relevant.

First, Mr. Chairman, the welcome news. The principal risks that troubled us during the cold war—and, in a sense, back into the 1930's—have now gone away. There is little chance that Eurasia will be dominated by a hostile monolith or by a hostile coalition. The threat to the Western democracies, that lasted more than half a century, has finally faded. No longer are we or our political values seriously endangered. There is no paramount military threat out there. Any military challenge will be relatively modest by comparison. All this is most welcome.

However, as the world has become far less dangerous, it has not become more stable. For better or worse, the cold war imposed a discipline that held lesser players in check—and effectively suppressed ferment and unrest. The end of that discipline has unleashed a thousand passions of tribalism, nationalism, and irredentism. Previously repressed, the freedom to assert one's self leads to self-assertion. Falling living standards and disappointed hopes, economic and political frustrations will sadly add to these tensions.

Europe is perhaps the most dramatic example of this change. For many years, Europe was a veritable model of stability—in part, reflecting the high degree of military risks. Now, as one moves further east, Europe becomes increasingly tempestuous. While such instabilities are, for obvious reasons, most dramatic in Eastern Europe and in the former Soviet Union, they are also quite marked in the Middle East, the Maghreb and elsewhere. This highly unstable world scene is likely to be with us for a long time. For a nation that came to expect the high degree of stability of the cold war period, reflecting to be sure a somewhat precarious military stand-off, we shall have to become inured to perennial instability.

What then has been the impact on the international position of the United States of this altered world scene, in particular the disintegration of the Soviet Union? In brief, the collapse of the Soviet threat has, in different parts of the world, both weakened and strengthened the U.S. position. Importantly, it has substantially

weakened our position with our traditional allies, for whom the U.S. role and U.S. protection no longer seem essential. Our allies may still be inclined to defer to us, out of habit, if not gratitude, but that inclination visibly wanes each day.

They may be inclined to flatter us and refer to the United States as the sole surviving superpower, but the underlying reality is that the only role for a superpower, that is essential to them, is to serve as a military counterweight to another superpower. That need is clearly diminished. As the need for U.S. protection has shrunk, increasingly the allies believe they no longer need us, and act accordingly, that is, with increasing independence.

The simple reality that the end of the Soviet threat has heightened the role of economic instruments as opposed to military instruments adds to their stature as well as to their ability to act more independently.

By contrast, Mr. Chairman, in the Third World, the impact of the Soviet collapse is more complex. On the one hand, our position has been strengthened because none of the developing nations, from outright antagonists to genuine neutrals, are any longer in a position to play off the Soviet Union against the United States.

While it lasted, that was an effective tactic, but it is no longer available. For those that have played that game, they both are and feel themselves to be more exposed to American power. For potential antagonists, the United States now seems to be militarily more dominant than heretofore, and few, after Saddam Hussein's experience, would contemplate an outright military challenge.

On the other hand, our Third World allies—like our European allies—recognize that there is a reduced need for American protection. Moreover, as economic issues become more salient, the United States is no longer in a unique position to help. To cite but one example, the ASEAN nations no longer panic at the prospect of a reduced American role. While they do not necessarily welcome a lessened American presence, they feel they can comfortably adjust to it.

IMPACT ON FUTURE U.S. FOREIGN POLICY

The upshot is that the collapse of the Soviet threat has indirectly reduced America's clout. Yet, this is the reverse side of the achievement of the policy goal for which we have striven for so many decades: That the nations, particularly around the periphery of the Soviet Union, no longer feel under direct threat. Moreover, what is true for others is also in some sense true for the United States. The end of the Soviet threat has made this a far less dangerous world for us. Not only does it allow us to be more comfortable, it means that foreign policy itself has become—I hesitate to say this in this room, Mr. Chairman—that foreign policy itself has become just less important to this country than it once was.

How should we conduct ourselves in a world more unstable and more complex—under conditions in which our ability to lead has been reduced, if not dissipated? In my judgment, this Nation needs to be quite selective about circumstances in which we are prepared to act. The end of the Soviet threat has given us a somewhat heady feeling, and, as a consequence, we have been inclined to opine on

all manner of events, many of which are quite tangential to our interests.

In a world more complex and more unstable, there will be countless occasions for us to involve ourselves. Others will be eager to draw us in on their side as the leading world power. Generally, we should resist such temptations. If we are too frequently drawn into affairs quite distant from our central interests, the willingness of the American public to support a firm foreign policy on those issues of central importance to us will be significantly reduced, and may ultimately be exhausted.

Many in this country believe that we should be far more ambitious, that we should use our position as leading world power to advance democracy, clean elections, human rights, the resolution of conflicts, free enterprise, et cetera, et cetera. If we were to do so, we would soon dissipate our power externally and the essential support of the public internally.

Moreover, we will find it hard to establish a consistent standard around which we can rally the American people. Sometimes we are for democracy, sometimes for self-determination, sometimes for civil liberties, sometimes for the status quo. These standards conflict one with another. Inevitably, we will be inconsistent and we will be charged with inconsistency. As a general proposition, the centrality of our interests is a better guide for deciding on action than are certain high-falutin' principles, which, in their nature, cannot be applied consistently.

The changed international situation does permit, at least for the moment, greater dependence on an American participation in multilateral actions through the United Nations. But the embrace of multilateral institutions means the embrace of international rules. It then becomes important for us to abide by the same rules that we are inclined to impose on others. If we seem to embrace a double standard, in which we act as if there is one rule for others and a different rule for ourselves, we shall rapidly dissipate that moral authority which is essential to our international position. In my view, we shall better sustain our position in the long run if we avoid moralizing and if we avoid posturing.

In my judgment, there is much to be said for the traditional guides to foreign policy. With the ideological conflict of the cold war now behind us, we would be well advised to observe these traditional foreign policy restraints. We need not launch crusades. We need not involve ourselves in every dispute. Where others have a larger stake in developments than do we, we should be prepared to defer to their wishes.

Though we are powerful, we should bear in mind that we represent a small and shrinking percentage of the world's population. In the main, our stance regarding other nations should be based upon the attitude of their governments toward us. We should note—and be prepared to respond—to hostility. But we should avoid generating hostility by intruding into matters that we cannot control and we may not fully understand. Thus, we should avoid picking fights simply because others do not behave in a manner which we are inclined to exhort them to do. We have sufficient repairs to make in our own country that we should be chary of offering unsolicited

and unwelcome advice to others in areas that we have no direct concern.

I recognize, Mr. Chairman, that my view on these matters will not be welcomed by those who advocate a more exuberant foreign policy. I remain, however, deeply convinced that we shall far better sustain our position and our interests in the long run if we recognize the need to exercise self-restraint here and now.

Mr. Chairman, I thank you and the members of the committee for your attention. I am prepared to answer any questions that you may have.

Chairman FASCELL. Dr. Schlesinger, thank you very much for that clear and concise perspective. It gets us off to a good start.

Mr. SCHLESINGER. Thank you, Mr. Chairman.

[The prepared statement of Mr. Schlesinger appears at the conclusion of the hearing.]

Chairman FASCELL. Mr. Hamilton.

RESTRAINT IN U.S. FOREIGN POLICY

Mr. HAMILTON. OK, thank you, Mr. Chairman.

What strikes me as I listen to you is that you really argue for a reduced role, it seems to me, for America.

Your statement is just filled with language of restraint and constraint with respect to the role of America in the world. And it is a different rhetoric than we are accustomed to hearing about America's role.

You want us to be quite selective about certain instances in which we are prepared to act, and you speak of a return to the traditional guides to foreign policy. We should avoid picking fights, and you caution against those who advocate a more exuberant foreign policy. Well, where does this lead us?

I mean, what are the implication of that? Does that mean that we put aside the idea of collective security that has been a principal feature of our foreign policy? What are the traditional guides of our foreign policy? Are you saying we are only going to be forceful when the American national interest is clear? I am not just sure where you take us here.

Mr. SCHLESINGER. Well, let me attempt to clarify some of those matters, Mr. Hamilton.

In the first place, on balance, it probably is a somewhat reduced role compared to the cold war period, but I emphasize that when we selectively involve ourselves, we should be prepared to be quite involved and quite generous. I think, for example, that the attempts to help those countries that are now recovering in Eastern Europe from 40 years of communism, and, indeed, the Soviet Union from 70 years of communism, is very much in the American interest. It is, as it were, ending the residue of the cold war.

So while I would like to be selective, Mr. Hamilton, I don't want that to be carried to the point that we disengage, in some sense. There are serious American interests.

With regard to the issues of collective security, one of our permanent interests, we have learned quite clearly over the course of these last 45 years, if not over the period since World War I, has been the security of the nations, the democracies of Western

Europe. We have been engaged with those democracies in a collective security arrangement, NATO, which, Congressman Hamilton, will now be reduced to some extent in its role. But we should sustain it in that reduced role.

I mentioned in the paper that the United States will be a participant in the collective security arrangements of the United Nations. At the moment, those appear to work. Where there is a direct threat to the United States, we cannot depend on multilateral arrangements. But where there is no direct threat to the United States, it seems to me, under the present circumstances at least, as long as none of the major powers proceed to exercise a veto, to continue to use the collective security arrangements there.

I hope that helps.

DEFINING THREATS TO U.S. SECURITY

Mr. HAMILTON. It does. I was in a high school in Indiana the other day and a young man jumps up and says to me, what are the threats? Let us have you tackle that problem. What are the threats to the United States today?

You mentioned the word "stability," but how do you define the threat and why do we need a \$300 billion defense budget or \$290, whatever it is, in this kind of a world? How do you articulate the threats to the United States today?

Mr. SCHLESINGER. I think that our long-term interest in the stability, particularly of Europe and northeast Asia, continues. The threats to those areas have been reduced, but they have also been transformed. I think that instability in the nations, the former satellite nations, is a source of concern to Western Europe and, to some extent, we are involved.

I do not believe that we should involve ourselves militarily in the well-being of the former Yugoslavia, but we are concerned, and the instabilities in Eastern Europe are, while a greater threat to Western Europe, still a matter of concern to us.

The question of the proliferation of nuclear weapons has now exploded, really exploded with the fragmentation of the former Soviet Union and the question of where those weapons now scattered through four successor states go.

So we are going to have to pay much more attention, it seems to me, to that issue, because once nuclear weapons have spread in a way beyond the five permanent members of the Security Council, then there will be no constraint. Now, those are lesser threats.

The possibility of a nuclear weapon being used in a war against a city is different from an all-out massive Soviet attack on the strategic forces of the United States or our urban industrial base.

Mr. HAMILTON. Would you say—

Mr. SCHLESINGER. But it is still a threat.

Mr. HAMILTON. Would you say the major threats to the welfare of the security of the United States in the future are less military and more economic?

Mr. SCHLESINGER. Yes, sir. Yes, sir. I think that they have changed in their nature with the collapse of the Soviet military establishment. For many years, we sized our military establishment

according to the size of the Soviet threat. As it has shrunk, quite naturally, we can afford to downsize our military establishment.

PRINCIPLES FOR AMERICAN FOREIGN POLICY

Mr. HAMILTON. One of the unifying factors in American foreign policy was the clearness and the simplicity of the doctrine of containment all in the post-war period. It had a certain moral force to it that helped make a consensus. Now that is gone. Do you see anything that replaces it?

Is there a unifying principle for American foreign policy in this kind of a world?

Mr. SCHLESINGER. I think that we will have to search hard for a unifying principle. The problem of this changed world is that the players change regularly. If we look at the problem of the Middle East, there we have been allied with Saddam Hussein de facto. We have removed Saddam Hussein.

Iran was once our enemy; now is in a more neutral position. We have come to appreciate President Assad.

The players change. Today's ally dons a black hat tomorrow. And when we deal with the reactions of the American people, we will find it very hard, it seems to me, to sustain support for a foreign policy which is much more kaleidoscopic than was the cold war. And it is for that reason, amongst others, that I would urge selectivity in our response, partly because one has got to make it quite clear to the public that their interests are involved, and if one tries to rally the public too frequently over too many events, we will lose the support of the public.

Mr. HAMILTON. I guess my time has expired. Secretary Baker now talks about a democratic peace, securing a democratic peace. I think he, like you and like the rest of us, are trying to articulate the theme of this policy. We can shift our eyes beyond the negative goals of containment, because now a positive purpose beckons—I am quoting from him—to support political and economic freedom and to build a democratic peace with Russia and Eurasia. You don't disagree with that?

Mr. SCHLESINGER. No, sir. No, sir. That is a valid objective for the United States. It is the degree to which we use force, military force, economic pressures, the sacrifice of political capital. Those are the kinds of questions that come up. As an objective it certainly is fine. We prefer the world to be democrat.

Mr. HAMILTON. Well, I can go on with quite a list of them. I want to say just a word of appreciation for Secretary Schlesinger. He has such a remarkable record of public service, as indeed Mr. Clifford has, and follows him. I express to him my admiration and my appreciation for that very distinguished record.

Mr. SCHLESINGER. Thank you, Congressman Hamilton.

Chairman FASCELL. We will take a short recess to go vote and get back as fast as we can.

[Recess.]

Chairman FASCELL. Well, we didn't have one vote, we had two votes. Maybe we will have a respite here for a minute and we can get on.

Mr. Roth.

Mr. ROTH. Thank you very much, Mr. Chairman.

Mr. Secretary, I want you to know I really enjoyed and appreciated your statement.

Mr. SCHLESINGER. Thank you.

AGENDA FOR U.S. POLICY IN 21st CENTURY

Mr. ROTH. It is one of the few times before our Foreign Affairs Committee, and I am speaking from the heart, that I have heard a person talk about realism.

The world has changed and I have always felt like a lonely member on this committee. These are all my good friends, and you want to agree with people, but many times I have not agreed with the members of this committee. And that is, I guess, one of the reasons I liked your statement so much, because you basically verbalized my feelings; the things I feel about this country.

Last night when I saw Helmut Kohl on TV, he was talking to the American news publishers, and he said America is the only super-power left and that Americans can do this and Americans can do that. It was almost patronizing. I know he didn't mean it in that fashion, but it was patronizing. Yet, when we called him and said, hey, don't recognize Croatia, we want to recognize it first. What did he do? He quickly recognized Croatia and wouldn't return our call. I think that is what is happening around the world.

Quite frankly, when I go around and talk to people, people don't verbalize it, but I think they can feel in their bones that something is happening to America. The world is changed and they are uncomfortable with what is taking place.

So I would like to ask you, rather than focus on the negative things, let us focus on what we want to do. What I would like to see is the 21st century be America's century, too; not only to see the 20th century, but also the 21st century as America's century. You have been the head of CIA, Defense, just about any other post we have in this government. I would like to ask you to look into your crystal ball, and if someone were to ask you, Dr. Schlesinger, if America is going to be on top of the 21st century, what does America have to do today?

Mr. SCHLESINGER. The first thing I think we should acknowledge is that the 21st century will not likely be the American century in the same way the last half of the 20th century was, simply because the power position of the United States, coming out of World War II and throughout the cold war period, was just immense and others had no choice, really, no practical choice, other than to defer to us.

As your illustrations of Chancellor Kohl, and countless such examples might be cited, suggest, that they no longer are in a position in which they have to defer to us.

So how does American influence carry on; reduced, to some extent, in the last half of the 20th century, but still carry on? I think we have to recognize that it is going to take a great deal of hard work on our part, and that is the hardest lesson to learn.

In order to have influence in the 21st century, we will have to improve the performance of our economy; we are going to have to improve the performance of our educational system, standards of

living of the median worker cannot continue to decline, as they have in the last couple of decades.

People have to have hope that their own children will live better and that, as a result of the improvement of expectations of the public, and the improvement in the performance of the economy, I believe that you will find that the American people become more outgoing than they have been in recent years; more in a position to achieve the influence that your question points to.

Mr. ROTH. It is interesting, Dr. Schlesinger, that in your scenario you said nothing about foreign policies; only that we have to remain strong domestically. I think there is a metaphor to this: when you are on an airplane, what do they tell you if there is a problem? Put on our oxygen mask first, before you do that of our children, because if you can't help yourself, you can't help the kids with you and so on. So I think maybe that is true in our country.

Mr. SCHLESINGER. In order to sustain the American people's belief in our foreign policy, we are going to have to improve our position vis-a-vis our principal competitors. Outstanding amongst them is, of course, Japan. The impact of slow productivity growth in the United States is not important in any 2 or 3 years, but the cumulative effect over the next 30 years of Japanese productivity or German productivity or French productivity growing by 4 or 5 percent a year and ours growing by 1½ percent is going to inevitably reduce American influence.

Mr. ROTH. Mr. Secretary, just one more short question and that is this: How do we get this message across to the well-meaning, really good people who are in the foreign aid establishment? How do we get across to them that we are not isolationists but that we are looking for a new direction? How do we influence them? How do we get them to agree with us on that?

Mr. SCHLESINGER. We had a serious challenge, a serious military challenge, that was quite costly to us. It was costly to us not only economically, but in terms of economic choices that we had to make. That challenge has now abated. That does not mean that we have lost interest in foreign policy; it means that circumstances have changed.

The U.S. Constitution points out that we are interested in the common defense and the general welfare. As that challenge to our defense diminished, we can point more toward the general welfare of our own public and secure the blessings of liberty, not only for ourselves and our posterity, but for much of the outside world.

Mr. ROTH. I thank you very much, Dr. Schlesinger. Thank you for being here today. Thank you for your good statements.

Mr. SCHLESINGER. Thank you, Congressman.

Chairman FASCELL. Mr. Solarz.

ANALOGY TO POST-WORLD WAR I ERA

Mr. SOLARZ. Thank you very much, Mr. Chairman. I want to compliment you, first of all, for holding these hearings. I think they are a very timely review of the world situation and the implications of recent developments for our foreign policy. I am very pleased that Mr. Schlesinger and Mr. Clifford will be kicking off these hearings, because I can think of no other Americans who

have played a more important role in shaping the largely successful policies of the last few decades, which enabled us to prevail over our adversaries and to preserve our freedom in the process.

Mr. Schlesinger, how would you respond to the observation that when we think of the implications of the past for the future, it is the situation we confronted after World War I, much more than the one we confronted after World War II, which may be analogous to current circumstances? Then, too, it appeared as if there was no serious military threat to the United States. Germany was shattered, Russia was a shambles, Japan was barely a speck on the horizon, and we, obviously, concluded that we could base our security on an isolationist policy. We withdrew our troops and we refused to join the League of Nations. Two decades later, we paid the price in spades.

Do you see any analogy between the situation we confronted in 1920 and the situation we confront in 1992?

Mr. SCHLESINGER. I see very close analysis, and I think that it would be a mistake for the United States seriously to withdraw.

We should measure our forces according to the challenge out there and there is a, certainly a residual challenge. There are challenges, as you know, in the Persian Gulf. So withdrawal is not advisable.

Mr. SOLARZ. So what we need, then, to do—

Mr. SCHLESINGER. Can I add one more word, though? What we saw after World War I was the collapse of three or four empires, and it led to a period of intense instability for many years, and we are seeing exactly that same thing with the collapse of the Soviet empire.

CHALLENGES FOR U.S. FOREIGN POLICY

Mr. SOLARZ. Well, I want to see if we can get you to translate your general observations about a diminished threat and the need for more selective engagement abroad into an assessment of the specific challenges and alliances we now have.

For example, what are the implications of your analysis for continued American participation in NATO, for our mutual security treaty with Japan, and for the mutual defense treaties we have with South Korea and the Philippines? Do you think we should maintain all of these alliances? If so, why? And if not, why not?

Mr. SCHLESINGER. There is, of course, a question about the Philippines because of the attitudes in the Philippines themselves, so I will not address that. The others, quite clearly, we should maintain for somewhat different reasons in each case.

Let me start with the Japanese. Mike Mansfield may have overstated it when he said this is the most important bilateral relationship in the world, but it holds an essential truth, and what we have got to do with Japan is to alter and perhaps strengthen our relationship with Japan on a political and on an economic basis. Because the security basis that has carried us for so many years is no longer quite adequate. I think that the deterioration of our relations with Japan in recent years is worrisome and should be reversed.

With regard to Europe, I have been, I am, I believe, an Atlantist. I have believed strongly in the Atlantic Connection, NATO is a part of it. I think NATO should continue, but we must recognize that with the decline of the military threat, NATO's role is reduced.

That does not mean that we have a lessened interest in Europe, it just means that the challenges out there are reduced and the Europeans, to some extent, are going back to intra-European negotiations. They pay less attention to us, as Mr. Roth's prior question.

With regard to Korea, as long as Kim Il Sung is up there and the two Koreas are unified, we must maintain our relationship.

Mr. SOLARZ. Why?

Mr. SCHLESINGER. The United States has invested over the years much of its moral engagement in the preservation of a free South Korea in protecting South Korea against pressures from the North and, to some extent unfriendliness to the East. And for us to maintain our moral authority, it seems to me, we do not abandon lightly those with whom we have had prior engagements, until circumstances change.

Mr. SOLARZ. After World War II, one of our institutional responses to the emergence of the cold war was the establishment of the National Security Council. We also created a unified military structure with some concessions, which, as Mr. Clifford reminded us——

Mr. SCHLESINGER. Somewhat unified.

Mr. SOLARZ [continued]. To the prevailing realities on the Hill.

Do you see the need now for any institutional changes in the structure of our foreign policy and national security establishments in order to enable us to better cope with the changing character of the world in which we now find ourselves? Or would you keep things, from an institutional perspective, pretty much the way they are?

Mr. SCHLESINGER. What I think is less institutional change in terms of changing boxes on an organizational chart than institutional reinvigoration. Perhaps most important, I think, is to restore the prestige and morale of the Department of State, which has a larger role to play relative to the Army, relative to the Defense Department, and to the intelligence agencies in this more complicated world.

REDUCED NUCLEAR AND CONVENTIONAL FORCES

Mr. SOLARZ. One other question, if I might, Mr. Chairman.

Could you give us your thoughts on the concept of minimum nuclear deterrence and what you think would constitute an acceptable minimum nuclear deterrent? And what are your views on the administration's proposal for a so-called base force, which would involve something like 12 standing divisions and 6 reserve divisions in a somewhat reduced Army.

Mr. SCHLESINGER. Let me deal with the latter question first, because that is a very hard question. It is hard because the base force was designed prior to the disintegration of the Soviet Union itself, after the collapse of the Warsaw Pact. And it represents a recognition that the cold war is over, but it is part, I think, of a continuing

bargaining process that is going on between the administration, and particularly the Pentagon and the Congress.

There is a fear, I think probably justified, if I may say so, that if the Pentagon were to say, well, that proposed force was too large, we can cut it another 10 percent, 12 percent, and here is where we want to be; that new level would be regarded as the ceiling and further cuts would be proposed from there. So the inclination of the department is simply to retreat very, very slowly.

I am not sure how one extricates one's self from that, because the danger is that when the department does not propose further cuts, that the Congress will impose those cuts reflecting, as the distinguished chairman of this body observed, reflecting pork-to-pork barrel. The effect of that will be to preserve base structure, as the number of people in the military establishment shrink; to preserve unnecessary reserve forces, so that we wind up with, whatever level of spending that we have, in which that funding is not used effectively.

I have taken the view that one way of delivering the country and not just the government from this problem, is to establish the kind of national commission that was represented by the Scowcroft Commission, or by the Greenspan Commission, I think it was on social security, so that they can put forward a final goal so that the level of forces and the level of spending for the department about which many people in the Congress could rally around and toward which the administration could move gracefully rather than the slow retreat from the base force.

I see that answer, in some respects, more clearly than the question of the minimum nuclear force. And why is that? The United States is the principal backer now of the nuclear nonproliferation treaty. The United States, the size of the U.S. and the Soviet forces throughout the cold war discouraged other countries from reaching for nuclear weapons.

If the United States were to go down to what some would regard as a minimal force, let us say 500 or 1,000 warheads, the effect of this would be to lower the barrier to others reaching for nuclear capabilities.

I think for the United States to maintain what is a nuclear capability that is obviously unchallengable, discourages—helps to discourage nuclear nonproliferation, and, therefore, my inclination would be to maintain a force with 5,000 warheads, roughly, for nonproliferation reasons rather than to deal with a residual Soviet threat or anything of that sort.

Mr. SOLARZ. Thank you.

Chairman FASCELL. Mr. Hyde.

Mr. HYDE. Thank you, Mr. Chairman. I wish to join my colleagues in praising Mr. Schlesinger and Mr. Clifford for giving us their time. I can assure each of them that this is a very rewarding and valuable testimony.

U.S. POLICY TOWARD CHINA

Dr. Schlesinger, I confess to an almost terminal ambivalence in trying to resolve in my own mind whether to be a Richard Nixon/Kissingerian or a Jimmy Carter human rightest when it comes

to China. I understand absolutely all of the arguments about retaining leverage with them, influencing them, not turning them off, saving face, how important China is, if no longer vis-a-vis the former U.S.S.R., then North Korea and Taiwan, Vietnam, Indochina, and India. I know all of that and that all makes sense.

On the other hand, I cannot erase from my mind the picture of that young man standing in front of the tank. I will never forget that as long as I live, and I hope I never forget that as long as I live, and I think the world is entitled to look to America as the defender of democracy and self-determination and freedom and decency. I really am torn.

Help us to be street smart. I want us to have a good influence on the People's Republic of China. God knows they are there and they are big and they are going to be a part of the future, but I also am a little embarrassed, if not ashamed, at our failure to stand up and stand on the side of the barricades that that young man was. So how do we resolve that?

Mr. SCHLESINGER. Well, the ambivalence is quite understandable, because these are circumstances that quite naturally create ambivalence.

The question is what good can we do? How much good can we do? As you know, from your membership, your prior membership on the Intelligence Committee, we have many arrangements with the People's Republic of China which we would endanger were we to press them on this issue.

It seems to me that, in certain cases, we can act in a way that might alter the situation beneficially. This is not one such case, it seems to me, that our pressing them by withdrawal of most favored nation agreement, I think, would worsen the situation. And one does not want to worsen the situation simply by making a gesture.

It seems that the—well, I have lost my thought on that.

Mr. HYDE. Well, we were talking about pragmatism versus idealism in our relationships with the People's Republic of China. And I think what you are saying is we can do both; we can maintain our idealism at the same time not abruptly terminate a maturing relationship that, in time, can prove successful.

Mr. SCHLESINGER. You captured, once again, the thought that I just had. The United States—you used the phrase “defender of democracy.” If that means we must go to the barricades whenever some event around the world occurs that we do not like, I do not think that it is prudent for us to do that.

But for the United States to remain the expositor and exemplar of democracy, I think that it is ill-advised for us simply to shrug our shoulders, after an episode like Tiananmen Square, and say that doesn't matter at all, is wrong because it is not true to the spirit of this country, to which we must always attempt to be true.

Mr. HYDE. A lot of Communist parties around the world look to Moscow for resources, and support. I hesitate to use the word “moral support” vis-a-vis that system, but I can't think of another word. I just think perhaps forces of democracy, whether they are in Burma or whether they are in Albania or whether they are in Afghanistan, or North Korea, ought to feel that they have a friend in the United States.

U.S. ROLE AS "SHERIFF" IN WORLD AFFAIRS

But let me move on, I have a couple more things. We talked earlier about America as the nanny for the world, and there are people who are now searching for a mission now that the cold war has been put aside. It is true we cannot be policemen to the world, but do you see a role for us as sheriff to the world; namely, arranging policies with other—as we did in Desert Storm, brilliant, in my judgment; getting other countries to carry some of the load, if not all of the load.

Mr. SCHLESINGER. I think the answer to that is yes. In the case of Desert Storm, it was the United States. And, amongst major nations, the United States to a lesser extent, Britain saw these issues most seriously, and we were the ones that responded in the large, in terms of the total number of forces.

There will be circumstances in which the United States feels less engaged. We can, once again, play the role of sheriff, but I do not think that we should put up the same proportion of forces. We are a willing——

Mr. HYDE. Unless our interests are comparably threatened, proportionately threatened as they were there?

Mr. SCHLESINGER. Exactly.

Mr. HYDE. Yes.

Mr. SCHLESINGER. For example, take the case of Indonesia. The Indonesians have behaved badly, not to put too fine a point on it, in regard to East Timor. Does the United States organize resistance to the Indonesian Government, organize a policy?

No, I think it falls below a level that the United States should concern itself. But if there had been television crews in East Timor, when Indonesian forces were engaged in shooting down catalysts in the former Portuguese colony, and if those had appeared on American television, you would have some of the same reaction to that young man standing up against the tank in Tiananmen Square.

Some of these things are just things that we cannot cure. We should make our feelings strong, strongly expressed, but we cannot cure them. And as the U.S. role in the world diminishes simply because of trends in population, we will find it harder and harder to cure problems as opposed to expressing our views on the problems.

SDI AND NUCLEAR NONPROLIFERATION

Mr. HYDE. My time is up, and I regret it, because I have so much more I would like to talk about. But, just quickly, I will not ask a question but state, it seems to me, with nuclear proliferation still a problem, and with a lot of scientists roaming around looking for a job, that the SDI, even though it has been the—now I am thinking of the fire plug at the kennel show for an awful lot of political "thinkers"—it seems to me the SDI has even more relevance in the future, with nuclear proliferation being a reality, rather than just an idea.

Secondly, I see a more difficult time for foreign policy in the world, as the Azerbaijanis and the Kazakhstanis, and the Yemenese and the Armenians, and the Herzegovinians and the Schleswig-Holsteinians, et cetera, et cetera, et cetera, as this fierce tribaliza-

tion suddenly sweeps over the world supplanting the false unity of Marxism.

And I see in our country a tribalization, a Balkanization that does not auger well. Our NATO probably will become E pluribus pluribus in the future. We are voting on bilingual ballots very soon, and that will proliferate. And the things that unite us as a country are getting lost in the things that divide us.

Lastly, just a comment. I don't see how we can be credible on a nuclear nonproliferation treaty by demanding the Pakistanis sign that treaty, at the same time not demanding every other country that has a nuclear weapon sign that treaty. I am speaking of Israel and India. If you start making exceptions, you lose moral authority.

And so I am all for nuclear nonproliferation, but I don't see how we get from here to there until we treat everyone alike, and I thank you for this opportunity, Mr. Chairman.

Chairman FASCELL. Thank you.

Mr. SCHLESINGER. Mr. Chairman, might I make one brief comment on one of Congressman Hyde's points with regard to strategic defense?

Chairman FASCELL. Absolutely.

Mr. SCHLESINGER. I think that the case for strategic defense is strengthened, as you say, because of the remarkable changes that we have seen, one of which is potential proliferation, but the character of a hypothetical strategic defense deployment is very different from the character of that deployment that was being discussed a decade ago.

Chairman FASCELL. Mr. Johnston.

THIRD WORLD NATIONS DURING THE COLD WAR

Mr. JOHNSTON. Mr. Chairman, thank you. I just have a few quick questions, Doctor.

On page 4 of your statement, you state that some of these Third World nations or developing nations took advantage of us during the fight between the Soviet Union and the United States. Could you identify some of those countries?

Mr. SCHLESINGER. Well, the——

Mr. JOHNSTON. Everybody, Mr. Chairman says.

Mr. SCHLESINGER. There is a long list of them, but the nations, most notably in the Middle East, tended to attempt to play off the United States against the Soviet Union, Syria, Egypt for many years. It is only in 1973, if memory serves, that Soviet forces were expelled from Egypt. Iran certainly played that role from time to time, subsequent to the fall of the shah. Afghanistan played such a role. And you go on down a long, long list. Those are perhaps the most dramatic examples.

U.S. POLICY TOWARD PERU, YUGOSLAVIA, AND CUBA

Mr. JOHNSTON. Page 7, you state we need not launch crusades, we need not involve ourselves in every dispute. Where others have a larger stake in development than we do, we should be prepared to defer to their wishes.

Could you comment on Peru?

Mr. SCHLESINGER. Well, one of the great philosophers of modern times, Wittgenstein, said, "Where of one does not know, there of one ought not speak."

Mr. JOHNSTON. That has never been an impediment to Congress, Doctor.

Mr. SCHLESINGER. Nor to witnesses before the Congress, sir. But I think that this is one of those cases in which we should be cautious before we decry the developments in Peru. We can decry the circumstances, but before we were to take action to deal with the developments in Peru, because the situation—first of all, Mr. Fujimori does seem to have widespread public support; and, secondly, the situation that existed before his actions of late was highly unsatisfactory, and, therefore, prudent suggestions suggests some hesitancy in decrying what has gone on.

Mr. JOHNSTON. Would you comment on the State Department's relationship with, and the administration, with Yugoslavia in the last 6 months?

Mr. SCHLESINGER. Let me go back to the beginning of the breakup. It did not seem to me these were circumstances in which the stakes of the American people were sufficiently large for us to intervene militarily or to be part of a military intervention.

Secondly, on this particular occasion, the European Community felt we can handle this on our own, we don't need the Americans, this is part of our new self-assertion.

Now, the European Community visibly stumbled and subsequently they have been eager to get the Americans involved. I don't think we should get involved.

But because we have a secondary interest in the region, this is one of the things that I felt we should defer to our partners on, when the European Community comes, whether from German pressure or Australian emotion, to recognize Slovenia, we should not be there saying under no circumstances will we tolerate the breakup of the Yugoslav state.

Too frequent expressions of our point of view, which have little effect on the actions of others, means that the currency of our viewpoint becomes derated or degraded, and I would refrain from too frequent expressions on subjects that are outside, really, of those areas in which we are prepared to take action. Sometimes we must, but a general recommendation is prudence.

Mr. JOHNSTON. Last country. Our relationship with Cuba?

Mr. SCHLESINGER. That is the most difficult one, of course, because there is a long history of our tensions with Cuba. But we should, I think, recognize two things: First of all, there are many American citizens, many American citizens concentrated in the state from which the chairman comes, I believe, that have a very strong passion on the subject of Castro, an understandable passion, in view of their history, and that complicates the foreign policy problem.

But from a foreign policy perspective, Cuba is no longer a threat to the United States in the same way that it was, let us say in 1962 and 1963. And, therefore, our eagerness or those actions that we are prepared to take to remove Castro, I think, might be reexamined and, in a sense, abated.

We do not like Castro. We think that he will fall soon, but the threat to the United States is reduced.

Mr. JOHNSTON. Thank you, Dr. Thank you, Mr. Chairman.

Chairman FASCELL. Mr. McCloskey.

Mr. McCLOSKEY. Thank you very much, Mr. Chairman.

I was most interested for the better part of my question on the basic topic Harry just brought up. As far as a critique and suggestions as to our policy in Yugoslavia, formerly Yugoslavia, whatever it is right now, much of that has been handled.

I would say, of my recent visit over there, there is one thing the Croats and the Serbs agreed on and that was an acute sense of disappointment, Doctor, for different reasons, as to our activities, or lack of them, in regard to that conflict. In essence, you are saying we could not have engaged in any way more forcefully or creatively than we have as the slaughter goes on in Bosnia and so forth?

Mr. SCHLESINGER. No, I am not saying that. I think that we could have been engaged much more forcefully, certainly if we had taken the lead in organizing the intervention of a military force to limit—limit, not suppress, but limit—violence.

The Europeans initially said leave this to us. We did and they stumbled. But this points to a problem.

The United States will remain, for the foreseeable future, the leading power in the world. It will not have the degree of preponderance that it once did, but it will be the leading power in the world. And others, all around the world, will always seek to involve the United States, and they will be keenly and understandably disappointed, given their objectives, when we fail to come through.

Over the course of the next 40 years, we are going to disappoint many, including the Croats and the Serbs. The sentiment that you expressed, I think probably is some part of the Serbian population, not the entirety of the Serbian population.

Mr. McCLOSKEY. Two other areas, Doctor, briefly.

RELAXED U.S. MILITARY POSTURE

In retrospect and as to where we go from here, how do, say, Granada and Panama, our unilateral interventions in those instances, fit into future recommendations that you would like to make for policy?

Mr. SCHLESINGER. President Reagan, early in his administration, identified Granada as a source of Marxist infection in the Caribbean. His view of the world was that this was a danger directly to the United States because this nation could serve as a pawn of the Soviet Union for further infection.

Obviously, whether or not that perception was entirely correct, it is now obsolete. The Soviet Union or its successors are not going to use the Granadas of this world to pose a direct threat to the United States, and we can afford to be more relaxed about that. That is not to say that we can be relaxed for all eternity for all the Western Hemisphere, but just for the immediate foreseeable future.

The Japanese and the Germans in World War I and World War II engaged in Mexico. We must be aware of that. But, for the

moment, there is no major power out there hostile to the United States in a military sense, and we can afford to be more relaxed.

Mr. McCLOSKEY. Just one concluding question, Mr. Secretary.

U.S. ROLE IN INTERNATIONAL ENVIRONMENTAL AFFAIRS

I notice, in briefly skimming Mr. Clifford's statements, he devotes a significant amount of attention to the concerns of the international environment and calls specifically on President Bush to exercise more leadership in this area.

I know one of the more memorable headlines in this regard that I have read in recent years was 3 or 4 days ago—I am sure you are more than aware of it—in the *New York Times*. The statement goes to the Soviet Navy having dumped nuclear reactors and plutonium and so forth into shallow seas that could affect the fisheries in Russia and Scandinavia.

We don't know what the ultimate damage would be. Obviously, this could be a northern European nightmare, economically and socially, to say the least. Could you comment on that situation—situations like that—and the need for presidential leadership in that regard?

Mr. SCHLESINGER. There are certain issues, many of them environmental issues, which are not handled effectively by the traditional concepts of national sovereignty. They spill over national frontiers. The issues of global warming—I do not want to comment on the scientific evidence; I am not in a position to do so—acid rain, the spread of radioactivity beyond national borders. All of these require international agreements.

The President of the United States is the leading statesman in the world, and, therefore, his views will be very weighty. I do not want to comment other than that the United States is put into a position in which its views carry great weight to what is frequently referred to as presidential leadership. Because people say, leadership is when the President is doing what I want him to do, and if he is not doing that then he is failing in leadership.

That is too complicated for me to get into, and I don't know enough about it with regard to the Rio Conference. I would just make the two points that these things cannot be dealt with by traditional national sovereignty. They must require international agreement. And the United States, in any international agreement, must play a principal role.

Mr. McCLOSKEY. Thank you, Doctor.

Thank you, Mr. Chairman.

Chairman FASCELL. Mr. Orton.

Mr. ORTON. Thank you, Mr. Chairman. I would like to add my voice to those on the committee who have commended you for these hearings and your leadership on this issue, and also, Dr. Schlesinger, thank you very much for sharing your time and your wisdom and experience with us.

I had never dreamed I would have an opportunity to meet you, let alone enter into a dialogue with you. You have been one of my heroes for a number of years.

Mr. SCHLESINGER. Thank you, Congressman.

RESTRUCTURING OF FOREIGN AID BUDGET

Mr. ORTON. As I have looked at our foreign operations budget, I see that a number of changes around the world have taken place since the last time we structured our policy and our budget. I am wondering if you could share with us your recommendations for what we might do in restructuring our foreign aid budget, not only to meet the needs of our assistance around the world but also to help more to represent our economic and trade interests overseas.

Mr. SCHLESINGER. Let me make a number of points here.

First one, and I am going to pick up on Congressman Hamilton's point again, because he, in his very polite way, chided me for being too unambitious. So let me say that in addition to being selective, Congressman, I think we must be bold. We must be bold. And the situation in Eastern Europe is one of those rare times in history that calls for boldness on our part. And I myself think that we have been slow to seize an opportunity.

That brings me to the larger question. We have been niggardly about foreign aid in recent years. I know that it is a very difficult vote for any Member of Congress, given serious economic problems at home and the public's attitude with regard to those matters, but we have not spent as much and have not reacted quickly to new opportunities.

We are frozen in a mold. We are frozen in the mold of whatever it is—85 or 90 percent of our aid—60 percent of our aid going to Israel and to Egypt. It doesn't provide us with sufficient flexibility to react. So I do not know what the solution is—the political solution to the problem is—but I know that we should be doing far more than we have been doing.

With regard to issues of trade and as impacted by aid, I think the trade issues, by and large, are to elicit an adherence to the rules of the game by our principal trading partners—the ones we have focused on most notably is Japan. And that is not a question of economic aid. That is a question of taking a line that is serious and that the Japanese understand that we mean it and follow it consistently, which we have never done.

So I don't think that the issues of aid and trade intersect insofar as trade is concerned.

Let me say, however, that—with regard to Eastern Europe—that we keep telling them that we are not going to give you all that much assistance, but trade is sufficient to carry you through. And then, when it turns out there is something to trade, we close our markets to them—we and the Europeans.

The Poles are permitted to export all of their computers to West Germany where they can compete with IBM and Hitachi and what have you, but when they try to export agricultural products or textiles or steel, they discover that there are limits to what one can do in the community. If we are serious about substituting trade for aid in helping Eastern Europe, then we have got to be serious about removing the barriers.

Finally, I look upon these matters with some, with great remembrance of the late 1940's and our splendid performance in that period, that took some years, admittedly, to develop. What we are doing today—I was mildly embarrassed, I must say, to see the Sec-

retary of the Treasury and the Secretary of State going around the world during the Desert Storm period shaking a little tin cup and saying alms for America, alms for the Department of Defense.

This is still the wealthiest country in the world. We should not be beggars. We should be generous. And I guess that that summarizes my view.

Mr. ORTON. Thank you.

Mr. SCHLESINGER. Generous when the circumstances warrant.

MIDDLE EAST PEACE PROCESS

Mr. ORTON. One followup. You mentioned the Middle East, Israel and Egypt. That issue has dropped from the public view of late. We are not hearing much anymore about the peace talks or about the loan guarantees. Do you have any comment about our policy; where do we go from here in the Middle East and in foreign aid there?

Mr. SCHLESINGER. I think that a higher proportion of our aid probably should go elsewhere. That is not to reduce our aid dramatically in that region, but as I say, I would like to see a larger budget and a smaller proportion going to Israel and Egypt.

As long as the peace talks continue, and there is hope on both sides, you are not going to hear much about the irreconcilables, the quarrels that go on in the region. It has been a great achievement of American policy against some difficult odds to bring the parties to the point that they are talking, and I would encourage us to play a role of attempting to bring those parties together.

Whether that can ultimately succeed, I do not know, because what the Israelis are prepared to yield as a maximum may be below what an array of different Arab claimants are prepared to accept as a minimum.

The Syrians will press for the return of the Golan Heights. They care much less about an autonomy, let alone an autonomous state in the West Bank. And those in the West Bank will be prepared to settle for an autonomy, but will that be—may be prepared to settle for autonomy in the West Bank, but will that be sufficient for the Israelis, who know that the Syrians are hanging back because of the Golan Heights issue?

Only time will tell. But as long as these negotiations continue, I think that they are beneficial and they help to suppress not only the possibility of immediate altercations but much in the way of headlines.

Mr. ORTON. Thank you, Dr. Schlesinger and thank you, Mr. Chairman.

Chairman FASCELL. Dr. Schlesinger, thank you very much. We appreciate your taking the time and the presentation of the testimony and answering the questions and starting the dialogue.

Mr. SOLARZ. Mr. Chairman, before Dr. Schlesinger leaves may I ask him one final question?

Chairman FASCELL. Only for you, Mr. Solarz.

Mr. SOLARZ. I appreciate that, Mr. Chairman, you are very kind.

AID PACKAGES TO CIS AND U.N. PEACEKEEPING

The administration has two major aid requests before the Congress, which, in a way, can be seen as responses to the changing international environment. One has to do with a substantial aid package for the Commonwealth of Independent States, and the other has to do with the funding that would be necessary to fulfill our commitments to the United Nations for the peacekeeping operations that are being established in several hot spots around the world.

It would be helpful if you could let us know whether you think those requests should be supported. If so, why? If not, why not?

Mr. SCHLESINGER. I am in favor of supporting the administration in regard to both requests. I have not studied the peacekeeping budgetary request. I do not know whether it is on the mark or excessive or inadequate, but, in general, the United States must support peacekeeping operations.

With regard to the developments in the former Soviet Union and in Eastern Europe as well, I feel that we have been slow to react to what is a great opportunity, one of the great and rare opportunities, speaking historically, and I certainly favor doing what the administration proposes. Thank you.

Chairman FASCELL. Thank you very much.

Mr. SCHLESINGER. Thank you, Mr. Chairman.

[The prepared statement of Mr. Schlesinger appears at the conclusion of the hearings.]

Chairman FASCELL. Thank you, Dr. Schlesinger.

Our next witness, who has been patiently listening and waiting, is another distinguished American, a former Secretary of Defense, advisor to Presidents, distinguished public and private career, and I am pleased to welcome Clark M. Clifford as our next witness today.

And, Mr. Secretary, I know that you have a prepared statement, and we will be glad to hear from you in any way you wish. If you want to submit it, you want to summarize it, you want to go extemporaneously, or if you want to just proceed.

STATEMENT OF HON. CLARK M. CLIFFORD, FORMER SECRETARY OF DEFENSE

Mr. CLIFFORD. Thank you, Mr. Chairman. I wish to submit my statement. I have nothing to read to the committee.

Chairman FASCELL. Without objection, the full statement will be included in the record at this point.

Mr. CLIFFORD. I heartily commend the committee for starting these hearings. To me, the issue is the transcendent issue of this period. The decisions that will be made in this next 1, 2 or 3 years will have an impact on the next 50 years regarding the position that the United States has in the world and the kind of world that it will be.

If one attempts to arrive at decisions regarding a wholly unique set of circumstances which confront us today, it is helpful to look back in our experience and ascertain if in the past we have had an experience that bears a resemblance to it. We do have that experi-

ence, and that experience involves the condition that confronted our country at the close of the Second World War.

At that particular time, we faced new circumstances, new threats, new challenges that we had never faced before. I had the privilege of serving in the Truman White House for 5 years, from 1945 to 1950. So I was able to witness the decisions that were made. I believe the most use I could be to the committee would be briefly to tell the story of the 2 or 3 years following the close of the Second World War, because it is so comparable to what confronts us now.

I will do it quickly, but if by chance I would go over my time, perhaps—

Chairman FASCELL. Take whatever time you need, Mr. Clifford.

Mr. CLIFFORD. All right, thank you, Mr. Chairman.

[The prepared statement of Mr. Clifford appears at the conclusion of the hearings.]

ANALOGY OF PRESENT TO CLOSE OF WORLD WAR II

Mr. Truman came into the Presidency in April of 1945 upon Franklin Roosevelt's death. He was to attend the Potsdam Conference that summer, at which time Stalin and Churchill and Mr. Truman were to meet. He attended the conference, he came back, I was there then at the time, and he was quite euphoric about the results of that particular conference.

He said he thought that he and Stalin had developed some kind of relationship upon which they could build, and he had real hopes that possibly the United States and the Soviet Union could work together as allies in a search for peace as they had worked together so successfully during the Second World War.

As time went on, however, toward the ends of 1945 and on into 1946, one disappointment followed another. The Soviets began to go back on agreements they had made in Tehran, at Yalta, and, soon some of the agreements that Stalin had made at Potsdam. And the President became more disillusioned all the time. But he still had the hope that maybe we could work it out together. It meant everything to the world if the Soviet Union and the United States could cooperate for peace.

However, Stalin had different plans. He embarked, after the Second World War, upon a program of the most aggressive type of expansionism. You will recall he took control of all the nations on his western periphery, and he began to exert pressures on other nations. He established the Comintern, which controlled a Communist cell in every important country, and that was to spread out and, hopefully, envelop the thinking of that particular country. As time went on, the President felt that we had no alternative but to begin to look for the worst.

It came early in 1947, when the British informed us they could no longer give military and economic support to Greece and Turkey, and they said there is only one country in the world that can do it and that is the United States. That really placed President Truman squarely in the focus of history at that time.

From the days of George Washington we had been advised "do not become involved in entangling foreign alliances." Here, the warning was given by the British, if you don't do it, it won't be

done. The President held meeting after meeting on the subject. It became apparent after a while that it was of enormous importance. The pressures on Greece from the Soviet Union were growing intolerable. Greece and Turkey constituted the southern anchor of the eastern defense line in Europe and had great importance there and to the Mediterranean.

He reached the conclusion, along with Senator Vandenberg, the Republican Chairman of the Senate Foreign Relations Committee, that the United States had to step up to that challenge. It was an area in which we had no real previous experience. It had always been under the general supervision of Great Britain, and we were exploring and venturing into really unknown land.

The President and the Congress worked together very well, and when he went to the Congress in March of 1947, he enunciated what became known as the Truman Doctrine. He said it must be the policy of this country to come to the aid of those nations who are resisting subjugation by foreign influences either from within or from without, a reference specifically, of course, to the Communist pressure.

When he uttered those words, a thrill went around the world. You could almost feel it encircling the globe. It said that the United States was going to take its position as one of the leading nations in the world in combating the Communist influence. New hope sprang up all over the world.

He went on, the challenge was clear, the aggressive designs of the Soviets were just beginning, so the next great step was the creation of the Marshall Plan.

Now, I wish to point this out. When he faced up to the decision on the Truman Doctrine, there was a great deal of opposition to it in the country. He asked for quite a lot of money to support Greece and Turkey. The American people had just gone through the Second World War. Billions of our treasure has been spent, hundreds of thousands of our men's lives had been lost and the people said, are we being asked to sacrifice again?

Gradually, day by day, through constant effort, spreading the word, being persuasive, the American people began generally to understand what it was that the President and the Congress wished to accomplish, so that then, when we came to the Marshall Plan, and we began to ask not for hundreds of millions of dollars, but for billions, the seed had been planted. But still there was a lot of opposition to that at the time. I remember the American people saying I thought we *won* the war, and now you come back to us. You want billions of dollars; why do you come back to us?

Again, a slow, arduous process of convincing the American people that there were issues present that were so transcendent that they could not be defeated by the parochial interests of the particular era in which they came up.

He finally got the American people behind him and General Marshall went to Harvard and made the speech. Just a slight aside that gives you a little feeling about it. I was a lot younger then, and we had been working on the Marshall Plan for months, and one day I said to President Truman, "Mr. Truman, I hope that because of the wonderful contribution you have made to this, that in some way this will bear your name; maybe the Truman concept or

possibly the Truman idea," and he smiled a little and he said, "No, we have a Republican majority in the Senate, and a Republican majority in the House; anything that goes up with the name Truman on it is going to breathe a last gasp or two, turn belly up and die." And he was just as right as he could be.

He said let's think it over. He made the decision to transfer the concept, even much of the writing of the speech, to General Marshall, the most hallowed hero of the time, who had seen us successfully through the Second World War. It was an excellent suggestion. It reminded me of the comment that Westinghouse made one time when he said there is no limit to what a man can accomplish if he doesn't care who gets the credit. And that was typical of Harry Truman.

Marshall took the speech, it became, in 3 days, the Marshall Plan, and the most adamant Republican opponent of Truman could vote for the plan because it was the Marshall Plan.

We went on from there and he made other decisions that had to be made. There was the Point Four Program, which began as a plan to help the Third World and gave great hope to them so that they would feel that they were being helped also.

In addition to that came the North Atlantic Treaty Organization. And an oversimplification is that with the creation of NATO, the Soviets were told: attack any one of our allies in NATO, and you are attacking the United States and, in effect, it means war. It had an enormous impact upon them. We had the bomb and they didn't.

We learned of the reaction of Stalin to Hiroshima and to Nagasaki, and it was an awesome event from the standpoint of Stalin and the Soviets. These were all accomplishments that were made against, really, the sentiment and the will and the feelings of the American people.

President Truman went on and completely restructured the Defense Department. He created a Department of Defense. He unified the services. He created the Joint Chiefs of Staff. Unusual accomplishment. Exceedingly useful for the years that lay ahead that were to be so troublesome.

In addition to that, he created the CIA and developed an intelligence community so that it served us during that period. And then, too, and this perhaps was the last of these great accomplishments, came the National Security Council, and that served as an exceedingly valuable advisory body to the President after the great argument had been settled. The Defense Department thought that the National Security Council should be in the Defense Department, and we, in the White House, thought it should be in the White House. We won that particular battle.

Now, I emphasize this because President Truman did it against the opposition of those who had a different idea. He did it against the lethargy and oftentimes the active opposition of the American people. That is what confronts us today.

FUTURE PROBLEMS FOR U.S. FOREIGN POLICY

My major concern today is that the American people don't understand the profound nature of the problems that we are confronted with today. This isn't a kind of problem that can be solved by

business as usual. It is going to take an unusual effort on the part of the American people. It is going to take originality on the part of the executive branch and on the part of the Congress to find a way to accomplish it.

The fact is, we don't have a great deal of time within which to work because the great issue today is what is to be the future of the Soviet Union. We can exert a great deal of impact on the determination of that question if we do it during this period in which they are going through the transition. If it is postponed until later, they may have made decisions that possibly are irrevocable.

As we look at the world today, it seems to me we do well if we look at where are the areas of the world that are the most important. I would place the Soviet Union first. We will call it the former Soviet Union. I would place Europe, Western Europe as we know it, Central Europe and Eastern Europe. That is a very important part of the world to us today. I would place the Persian Gulf, because of the need of the world for oil, as a very important area. And, last, I would place the Pacific Rim, particularly Japan, of course, and South Korea and Taipei.

If we choose to do it, and if we prepare ourselves to do it, we can assist the Soviet Union and Eastern Europe in getting through this crisis. In order to do it, it will take a substantial amount of our country's treasure to be successful. This isn't anything to be done in a month or a year, it has to go on for a lengthy period.

The reason why it is of such importance to us is that the Soviet Union is a nation of 180 million persons. They have enormous natural resources. They have a people who are loyal, people who have been trained to work. They are an enormously important factor. For these last years they have been the only real threat to the United States in the world, and that threat has been a vital one because of the concern that we had that they might have the ability to destroy the United States. They have no incentive to use that power anymore.

This former Soviet Union is disintegrating. It is disintegrating in every phase of its activity. The military is disintegrating, the Navy is disintegrating. They can no longer afford the enormous amount of investment that they were making. They are not able to feed their people today. There are going to be dislocations of the worst sort. The future of the Soviet Union is tied very closely to the future of the United States and the rest of the world. If we can help guide them in the right direction, so that they can ultimately become self-supporting, so that they ultimately can take their place in the family of nations and work out trading arrangements, cultural exchanges, and be a dependable stable unit in the world order, it can mean everything to us over the next 50 years.

If they take the other direction; if they cannot make it through the transitional period and the hopelessness that comes, the evil soil of poverty and strife could lead to totalitarianism. Perhaps it would not be a return of Communism, but it could be the return of something else just as bad. We must do everything in our power to prevent it. We must make a lot of sacrifices in other areas to prevent that.

Now, that isn't the only problem we have ahead of us. We have problems that will come up in different parts of the world. The De-

fense Department mentioned seven of them, but a careful review of those seven parts of the world that they call the danger areas, none of them would necessitate the maintenance of this enormous military force that we have today.

I think one of the main tasks confronting our country and confronting the Congress now is to cut back the military expenditures that are so gigantic. The Defense Department says for 1993 we need \$281 billion. I think that is excessive. They say that over the next 5 years they will need \$1.5 trillion. I think that is excessive.

I think that we need every dollar to meet the real important problem; that is, the world problem. Our problems today are not military problems. The end of the cold war has pretty well settled that area. Sure, we will have different difficulties over the world. The world has always had them. There will be wars. As we turn from the bipolar protectionism, in some way, to the multipolar world, then there will be lots of incidents, and some of them will interest us, some of them won't bother us very much, but we will want to take an active part in them.

CUTTING U.S. DEFENSE EXPENDITURES

But the main challenge we have is, how can we direct the Soviet Union along the path that will help lead to peace for the next half century? So every dollar that we can trim from the defense department that is not needed, we can use for the other purpose—we have two main purposes for these funds: One is to assist in the development of the world that lies ahead; the other, and this will take plenty of funds, is to strengthen our own country. We have slipped badly during these past years.

So in going back to my first point, and I want to be specific, because you have the right to expect that you would get some specificity from me. I want to trim back the defense expenditures. I would like to start—I don't want to build anymore B-2s. That is my number one. I would like to stop building anymore B-2s. The bomber was built for a specific purpose that involved the Soviet Union, not for these little fire breaks that will occur in the world. Let's stop the B-2.

I do not believe that we need the F-22. That is a new fighter, and the idea was, and properly so under the old attitude, we want to stay ahead of the fighting forces of the Soviet Union. That is gone now and we are ahead of the present fighter planes that the Soviets have. I do not want to build the F-22. We can save \$100 billion by not doing it, and we don't need it. Because we have a very substantial Air Force, a very modern Air Force, which conducted itself quite favorably in the recent unpleasantness in the Persian Gulf.

Now then, I would go next, after those, I would not build another aircraft carrier. That, again, that was to be the answer to the expansionism of the Soviet Union and the Soviet Navy. The fact is I am not sure we need all the aircraft carriers that we have today. One or two might well be trimmed down, and we certainly, I am convinced, do not need to build another one with all that takes and the billions of dollars that go with it, and then there is always the suggestion that you must have the accompanying ships that always go with an aircraft carrier. I would stop that.

I know there is a great debate going on now about the Seawolf submarine. I would not build those two Seawolf submarines. We don't need them. Tell me which Navy is it that we need two more Seawolf submarines to protect ourselves against? The Soviet Navy is going downhill, steadily going downhill. It will continue to go downhill because it won't be financed as their military prowess continues to go downhill.

I would hope that we would not build those two Seawolf submarines. They would cost us \$4 billion. I recognize the other issues that are there. I know this type of decision is a very painful decision, and I know also it is easy for me to make recommendations as to what to do, because I am not running for anything and won't ever run for anything again. But we still have to face up to it.

I gave a title to my remarks, "A Chance for Greatness." And that is what we have facing us today. If we can in some way free ourselves from these colloquial problems and pressures that we have and face up to this, I think that our children are entitled to it. I think their children and their children are entitled to it. We have not done too well by them lately. We have lived on the fat of the land and foisted off what is now in excess of a \$3 trillion national debt that some day those who follow us are going to have to face up to.

Before I leave the military, I do not believe we need the present base force that is contemplated. There hasn't been much of a cut. The Pentagon wants to keep 1.6 million men and women as a base force. I don't believe we need that much. We needed them when our existence was threatened by the Soviet Union. Our existence is not threatened in the world today. We don't have that.

U.S. LEADERSHIP IN SHAPING INTERNATIONAL SECURITY

We will have problems, but we don't have that real threat, and we need those funds in facing up to the need of peacekeeping; the help that we need to give to forces in the world and influences in the world that we must oppose, that block progress in the world and peace in the future.

I mentioned in my statement, for instance, that if you take the first 90 years of this century, in the first 45 years of this 90 years, in Europe, over 50 million Europeans were killed in wars in Europe in the first 45 years. Take the second 45 years in Europe, less than 15,000 Europeans died in the second 45 years.

We had a lot to do with that. We organized the world, we gave it the leadership, and we helped bring that figure down to that incredible percentage. We have that same obligation today, not to do it all alone, but to do it in the manner that we have found and have proved to the world it can be done, and that is by joint action between the decent countries of the world in facing the problems.

I will close by referring briefly to what we need to do in our country. Economically, we are all very aware of that situation. The Government and business and the people generally have got to work together, and we have got to find the way of moving us out of this economic quagmire that we are in.

We know that we have been neglecting the education in our country. We are not keeping up with the other nations of the

world. There is a marvelous investment to make there. It pays great dividends. We know we have permitted the infrastructure in our country to deteriorate badly. We cannot do the job in the world that we must do if we cannot stay strong here and build up our strength while we are doing it.

There are these other areas that we have to face up to that are global in scope, like the environmental issues. Finally, the people are understanding the depth of the nature of that problem. I want our executive branch to understand it; take a more enthusiastic lead in it. I would hope that the Congress would work on that. These are matters that have reached the area in which we must give attention to our continued existence.

I close on the note that we either face the opportunity that we have now in stepping up to the world as it is today and saying we will do whatever is necessary to see that the world develops in the manner we now have learned so well. It means continued peace in the world. We have to make sacrifices in other places. It seems to me that we must say, again, we recognize the challenge, we recognize it as the transcendent issue of our time and we are going to meet it that way. We must come forth and present a greatness in concept and a greatness in accomplishment that would give us the same type of respect and admiration that that cadre of unusual men received 45 years ago.

Thank you.

[The prepared statement of Mr. Clifford appears at the conclusion of the hearing.]

Chairman FASCELL. Thank you, Mr. Clifford, for that comprehensive overview, and for giving us a perspective against which we can, I think, reasonably judge what our future course should be.

I take it from your remarks, then, that you are fully supportive of the efforts being made now by the administration and in the Congress with regard to a package of assistance to the independent states of the former Soviet Union?

Mr. CLIFFORD. I am in full support of that program.

Chairman FASCELL. On the restructuring of our defense posture, the debate will go on for some time, both as to the elements of it, the nature of it, and the specific weapons system of it. I don't really want to get into a dialogue on all of that, except perhaps on one part of it.

We have negotiated, at great effort, bilateral treaties with the former Soviet Union, as well as multilateral treaties, on the elimination of chemical and bacteriological weapons including the production of new ones and the destruction of the ones that exist. Because of the pressing nature of economic and other problems and other instabilities and lack of money and technology, we are not proceeding as rapidly on that as I would like to see us do. And there is certainly an area, where I think American capital and assistance from other countries would be a big investment in providing additional dividends for our peace and security and stability.

RESTRUCTURING OF ABM TREATY

So it goes with the START agreement to reduce the number of ICBM's. Now, we don't have that agreement yet between Russia,

Ukraine, Belarus and Kazakhstan, which have 80 or 90 percent of all the intercontinental ballistic missiles. We need to put our emphasis on that, and that leads me now to this last one, which regards the ABM Treaty and whether or not, in your judgment, we should pursue avidly the restructuring of the ABM on the concepts of the present treaty.

Mr. CLIFFORD. We grew up with the ABM concept and went through the agony of determining what part it played, and finally concluded that it should be very limited, because the basic protection that the world had was still the concept of mutual destruction between the powers, so that the ABM ended up without amounting to very much.

Now, I have not supported from the beginning the Star Wars concept, to use the popular term. I felt from the beginning that it was not attainable, and I believe that our scientists today have pretty well concluded it is not attainable.

However, I am still perfectly willing to proceed with a limited research program to see if we could develop not the kind of SDI program in which we could destroy hundreds of missiles fired at us, but I can see where we might well use a limited SDI program that is placed around our defensive missiles and protect them from an enemy; maybe an enemy that has just gotten hold of only two or three missiles or something of that kind.

I would be willing to go along with that, but I certainly am not willing to put the billions of dollars that would be contemplated by those who want the overall system. I think that we may have put as much as \$8 or \$9 billion in it already, and maybe we had to do it in order to persuade those who pushed it so hard that it was unattainable.

Chairman FASCELL. Thank you. Mr. Hamilton.

Mr. HAMILTON. Well, thank you very much, Mr. Chairman. I want to join you in welcoming Mr. Clifford before the committee. I couldn't help but be impressed with this very impressive biographical sketch we have of Mr. Clifford. Having served Presidents Truman and Kennedy and Johnson and Carter, it is a marvelous record of public service, and we are very honored to have you with us today, and we respect greatly your contributions to not only the national security but to the nation in many, many areas of our national life.

Mr. CLIFFORD. Thank you.

INSTITUTIONS FOR NATIONAL SECURITY

Mr. HAMILTON. You wrote your memoirs not too long ago and one of the chapters in it that impressed me, as I mentioned it to you in the anteroom a little bit ago, was the chapter that discussed the national security institutions, and I would like you to tell us a little bit about what you think we ought to do there.

Your book impressed me because you emphasized that the bureaucratic competition and the human factors, the personalities had a very, very great impact on the shape of our national security institutions today. We tend to think that maybe these institutions come out of a very rational planning process, and we hope that

they do, but your memoirs made me realize there are a lot of other factors that go into creating those structures.

You have had a lot of experience in creating the institutions of the national security apparatus of the United States, and were there, in a sense, at the beginning of those institutions. So rather than talk policy here, I would like to direct your thoughts for a moment to structure and organization and institution. What you think we ought to do?

Given all that you have said about the new world we are in and the great opportunities it presents to us, how do we best organize ourselves in this government? How do we change the institutions we have in order to meet the challenges that you spell out?

Mr. CLIFFORD. A brief historical reference. When the war was over, the Second World War, President Truman said one day in a reflective mood; you know, we really were just down right lucky to win this war. He said, I thought many times if the Army and Navy had fought as hard against the enemy as they fought against each other, we could have ended it in about half the time. And he said we can't live with that any longer. So we started in on this long, uphill struggle to consolidate and unify the services.

In the Act of 1947 we got only half of what we wanted, because the Navy so skillfully and intelligently opposed us, placing one roadblock after another in our way. And the President did something. When the time came to appoint the first Secretary of Defense, President Truman displayed that curious perspicacity he occasionally evidenced.

Forrestal, the Secretary of the navy, had opposed every move toward unification because it would mean that the Navy would no longer have a member of the President's Cabinet, and they felt that that gave them great strength. And with the assistance of one of your honored colleagues at the time, Carl Vinson of Georgia, they emasculated the Act of 1947.

The President reached out then and appointed the man who had accomplished that result. He made Forrestal, the Secretary of the Navy, the first Secretary of Defense, and said, all right, now, you have given us your attitude; make this organization work.

I knew Forrestal very well because I had been in the Navy during the war. He called me one day and said he would like to talk with me. We talked together, and he said I can't make it work. He said I have tried every way I can; I can't do it. I have changed my opinion. I now see that we must have real unification. I said, the President is in town, Jim, and if you were free today, he would be glad to have you come over there and he would love to hear you tell him this. Well, he said, all right, you make the appointment.

We made the appointment in about an hour and he got over to the White House and he said, in effect, Mr. President, I have been wrong and I am willing now to go to work to make it right.

And with his help we then got the act of 1949, which created a real Department of Defense and the language gave the Secretary the responsibility, authority and power to run the department. Now, we made great progress with it. We strengthened it substantially later on. Mr. Macnamara performed wonders in his years in bringing a business attitude in and making it more efficient.

Now, that restructuring of the defense and national security apparatus took place 45 years ago. I suggest in my written statement that the time has come to do it again. We have learned a lot. We have had 45 years of this experience. Let's stop and look at it.

We need more central direction from the top. One of the services has fought that battle. We need to tighten it. It can be done. We need more control in the hands of the Chairman of the Joint Chiefs of Staff.

At one time, we were aiming toward doing away with the separate services. Well, that was beyond any possible attainment. So we must keep the services, but there is a great deal of overhang. There is still much wastefulness in the Pentagon.

Quick illustration: The Army does not need its own separate air wing. The Marine Corps does not need its own separate air wing. That is an extra expense. The Air Force, working together jointly, can supply those functions. But there are a number of instances of that that exist. So I would hope that we might reorganize and restructure the Defense Department and make it work better and make it work more economically.

Mr. HAMILTON. Two other areas I would like you to comment on and then I will yield.

One is the National Security Council. I gather from your book that it was never intended for the National Security Council, to have quite the strength that it does today. I would like you to comment on that.

What role do you see for the National Security Council today? And then, in your written statement, you talk about a Pentagon for international trade, apparently thinking that we ought to have much more focus there. I would like you to elaborate a little on that as well.

Mr. CLIFFORD. The creation of the National Security Council was an experiment. And through the years it proved its value. And as it proved its value, it became larger, had more significance, took on additional duties, sometimes it strayed beyond its original concept because it got into operating matters, and sometimes it strayed into areas it should not have gotten into secretly, during that period when there was so much dissension between the view of the Congress and of the executive branch.

But, generally, it has performed well. I think we even must give some attention, possibly, to giving it a more important function as we face the challenge of this next decade. I want us to get away from the concept that the problems we now have we can face with what we have. I don't believe we can. It is too big for that.

I want to emphasize the seriousness of the challenge, the complexity of it. We may wish to expand the Security Council to some extent.

The other idea, about a Pentagon for trade, the Pentagon gathered all of the military phases together and centralized them. We might well want to do that in the area of trade. Our Commerce Department might be the vehicle. We might transform our Commerce Department from its relatively minor duties today and construct it into a modern, dynamic operation that brings together all the trade problems that we have so that they are centered and we can begin to face up. The Japanese did it. If somebody were to say it

looks like you are copying the Japanese, so what. They have done it very successfully.

I think it is called the MITI that they have. We might want to consider that.

As we get into it, we should welcome new concepts of structure so that we are prepared to go on with this. This is a long-time project. The dividends will be beyond human comprehension if we can rid the world of what we went through the last 45 years in being constantly under the pressure of the Soviet Union as it has been constructed in the past. It doesn't have to be that way in the future.

Mr. HAMILTON. Thank you, Mr. Clifford. Thank you, Mr. Chairman.

Chairman FASCELL. Mr. Solarz.

Mr. SOLARZ. Thank you, very much, Mr. Chairman.

Perhaps more so than any other living American, Mr. Clifford has played an instrumental role in shaping the foreign and national security policies of our country, which over the course of the last half century have made it possible for us to prevail in the cold war and to not only preserve the peace but our own freedom and independence as well. I truly believe that Mr. Clifford is entitled to the gratitude of a thankful nation for his inestimable contributions to that cause.

Mr. CLIFFORD. Thank you, sir.

COMPARISON OF POST-COLD WAR WITH POST-WORLD WARS

Mr. SOLARZ. I also think that there is much benefit we can derive from his experience. I am one who happens to agree with Santayana, that those who do not study the past are condemned to repeat it.

I would like to begin, Mr. Clifford, by asking you to compare the political circumstances and problems that faced Mr. Truman when he decided to ask Congress to approve the monies for what was known as the Marshall Plan to the political circumstances that confront Mr. Bush today when he is making a request for aid to the former Soviet Union.

In current 1992 dollars, I am informed that our contribution to the Marshall Plan was the equivalent of about \$77 billion. The request the President has put forward to the Congress is for \$4.35 billion; and most of that, actually, has already been authorized before, so it won't be, in a sense, a new appropriation.

Nowadays, as you know, we are in the midst of a recession. People are saying that with the end of the cold war we should concentrate on our problems here at home. We have a huge deficit of about \$400 billion. It is a political year. And we anticipate, for all of these reasons, substantial resistance in the Congress to this request.

How would you compare the political problems that Mr. Bush faces in trying to persuade the Congress to approve his request to the political problems President Truman confronted? And, in the process of doing that, can you tell us how President Truman managed to overcome what I assume was widespread initial opposition to his request so that he could ultimately get it through the Con-

gress? What implications might that have for the current situation and how President Bush and his allies in the Congress might go about mustering the support that will be necessary to secure the approval of this request as well?

Mr. CLIFFORD. As you suggest, Mr. Solarz, there is a great similarity between the two periods. The American people were loathe to enter this new and unusual plan that was being offered, and as I suggested—they said we have just gone through a long World War, which ended in August of 1945, and here the President, in March of 1947, just a few months later, is asking for more money from the American people. Then came the Marshall Plan, in which he asked for a great deal more money from the American people.

Your question; how was that conveyed to the American people. First, there had to be bipartisan support of it. I would hope that today that the executive branch and the Congress could get to work on it, recognizing the difficulty that exists, recognizing the fact that it is absolutely necessary that this program be a successful one, and be able to meet the exigencies of the present situation and offer a program to the American people.

Of course, you won't get everybody. But you will get the executive branch, I would think, and enough of the Congress so that you can say, here is our program, and we can put this program through, and we want the American people to support it.

There are features to this present program that we didn't have back in the late 1940's. One of them is that the investment we make in peacekeeping and in helping the Soviet Union and Eastern Europe in getting through this difficult transition, can come back to us manyfold. The Soviet Union can become an excellent market for the United States and so can Eastern Europe if we can help them get through this difficulty, build up their economies so that they can become a substantial consumer. Thoughtful Americans can be made to understand that.

I would hope that efforts would be made to get the support of the media. Loyal patriotic Americans, if they study this, will recognize how profound the impact is and how much it means to us in maintaining our way of life to have this program be successful.

In addition to that, it has got to have the unabated enthusiasm, I think, of the President. He has to understand it. He has to believe in it. I would hope that—sure, we have colloquial problems today, and we have an election coming, and we have it at an unfortunate time with a recession. But we had all of those, to a certain extent, back at that particular time, and we overcame them. There is a common basic sense in the American people that if you go to them and you can explain this to them and, even if it contemplates sacrifice on their part, I believe they will come through.

Mr. SOLARZ. I recall, Mr. Clifford, a meeting which took place in the White House in 1947, when President Truman summoned the bipartisan leadership to meet with him to discuss his request for emergency assistance for Greece and Turkey.

My recollection is that Mr. Acheson spelled out what he believed the consequences for our country would be if we didn't provide this assistance, and he talked about the extent to which it would place in jeopardy the survival of free institutions throughout Western Europe.

I believe Senator Vandenberg at that time said, if you are prepared to say this to the American people, then I would be prepared to support the request.

I wonder if you could spell out what you think the consequences for our country would be if we fail to provide this assistance to Russia and the other newly independent countries that used to be part of the Soviet Union. Are they likely to be anything nearly as dire as the consequences presumably would have been if the Marshall Plan and the aid to Greece and Turkey had died aborning.

Mr. CLIFFORD. In my opinion, Mr. Solarz, equally so.

First, and very important psychologically, if the United States rises to this task, and the world sees they are rising to it, then the impact on the balance of the world will be a profound one. We will have demonstrated that we understand the problem and that we are going to make our contribution along with other nations of the world to meeting it.

And I am talking mainly about the Soviet Union and Eastern Europe. They are wondering, do we really understand that? Are we serious enough to face up to it? If we do not do it, and then we find that in this nation—I will refer to it as Russia—of 180 million people, if they cannot feed their people, if they cannot find work for them, if there is not a sense of loyalty with them, if there is going to be a sense of anarchy that comes up after a while, if you cannot feed and house and clothe your family, then we are going to get a kind of government that is exactly the kind we don't want. There will be another Hitler. There could be another Stalin.

Countries don't exist that way and continue on that way. Someone finally rises, like Hitler did with the Third Reich. The country is ripe for someone to come along with a totalitarian regime. And we could find ourselves right back—whether it took 2 years or 3 years or 4 years—we will find ourselves right back with a hostile, powerful nation going in the wrong direction. And God forbid but what do we have then? Another posture in which we begin to see the outlines of another cold war? That must not be.

Mr. SOLARZ. I couldn't agree with you more. I think you have just made the case in the most convincing and compelling fashion I have heard yet.

Some of us met with the President yesterday at the White House to discuss this, and I only wish that the presentation we heard in the Cabinet room had been as eloquent as yours.

You indicated a little bit earlier, I think in response to one of Mr. Hamilton's questions, that by virtue of President Truman's willingness to put General Marshall's name on the plan, he facilitated its adoption by the Congress. You recalled at that time that General Marshall was probably the greatest living hero in the eyes of the American people. I never had the privilege of meeting him, but from what I have read about him he certainly deserved that respect.

Nowadays, we don't seem to have a counterpart for General Marshall, so it is not quite clear whose name might go on this proposal in order to facilitate its approval by the Congress. But I did have a thought I wanted to try out with you. Do you think it would make sense for the President to invite to the White House all of the living former Presidents, and possibly some others who had served

in high positions in previous administration's, such as vice presidents and perhaps even cabinet members like yourself who had played a role in shaping our policy during the cold war, to solicit their public support for a public campaign on behalf of this legislation before the Congress? Would a kind of blue ribbon national citizens committee like this serve a useful purpose, or would it perhaps just clutter the political landscape?

Mr. CLIFFORD. I think it would serve a useful purpose, Mr. Solarz, but I don't believe that I would confine it just to former presidents. I think that President Bush could assemble a committee. He could include the former presidents on it who would gather together and discuss it and agree that this is the leading issue of our age, and they would agree to fan out through the country and support it.

It is entirely possible that another meeting could be held with leaders in the media. I am willing to go to any length to begin to get the support of the American people. If we don't get the support of the American people, it is difficult to expect that we could get the support of the Congress.

Mr. SOLARZ. In your testimony, Mr. Clifford, you spoke about some of the similarities in the situation that confronted the country after World War II compared to the situation that confronts the country today. I would like to ask you, however, a question which I posed earlier to Mr. Schlesinger. Was the situation which confronted us after World War I, perhaps even more relevant in a number of respects, to the situation we confront today than the situation we faced after World War II?

After World War II, after all, particularly after it became clear that Stalin was not living up to his commitments at Tehran, Yalta and Potsdam, and that the wartime alliance could not be preserved, we faced a serious, palpable threat from the Soviet Union. And there had been a long history of anticommunism in this country to which the administration and our national leaders could appeal.

But after World War I, with our adversaries in ruins, with the Soviet Union in shambles, with Japan a country that nobody took seriously, I would imagine that for most Americans in 1920, the world looked as safe for American interests as it looks to most Americans today.

As a result of which, Warren Harding was elected, we returned to normalcy. We never entered the League of Nations, and we pulled back all of our troops. And Harding said, don't bother us with any of these foreign quarrels because, basically, it doesn't affect our security. And, yet, as we know, events transpired which produced a Hitler, a Mussolini, a Trujillo, and we found ourselves engaged in another World War.

So I wonder if that might perhaps not constitute an even more compelling analogy in terms of the argument for a continued American engagement in world affairs than the analogy to the end of the Second World War?

Mr. CLIFFORD. I think the point is a valid one. I remember as a boy President Wilson's statement to the American people that that war was fought to end all wars. It wasn't called the First World War then—it was called the World War.

And when it was over, that thought permeated the consciousness of the world—that there wouldn't be any more wars of that kind. It was beyond all belief the most terrible war up to that time. I remember the Battle of Verdun, and when it was all over, hundreds of thousands, in a day, had been killed and wounded. There had never been a war like it before. And the horror of it was such that the world said, well, we will never go through this again. So they relaxed and went on with their business.

The Versailles Treaty was a disaster. It never should have been entered into, because it planted the seeds that later led to the creation of the Third Reich. So there is great similarity.

The people today in the country are relaxed. They are euphoric. My God, we won. Isn't it great? But in 20 years after the end of the First World War we were in another war—in 1918 it ended—1938—start of the Second World War. So you have to take that into consideration.

Here we would have the same kind of problem. We might get through the early part of it and not recognize the danger too well, but we would have to ignore history and the past. It was so bad—the attitude was so bad as we got into the late 1920's and 1930's that you will remember that British Prime Minister Chamberlain went and had his talk with Hitler and came back and said to the British people, "we have achieved peace in our time." He could not have been more wrong.

What was going on under Hitler, he was secretly developing German power. And, after a while, over the objection of the German general staff, he decided to move into Sudetenland, and did, and got away with it. And then he could say to the German general staff you are just not venturesome enough. He bided his time, got stronger, then he moved into Austria. Again, over the objection of the German general staff which said, if you do that and if Great Britain and France object to it, they can defeat us. He used his own judgment and overruled theirs, and he brought that off successfully.

The third time he did it in Czechoslovakia. They were not ready then. He moved. By that time, the generals were but a faint voice of resistance because he had become so powerful. And then he made the next move, and that was the move into Poland, which brought into existence the triggering of the mutual assistance pact that Poland had with Great Britain and France.

So we have an absolute scenario ahead of us of what went on then. And, as you suggest, I just pray to God we don't make that same kind of a mistake now. But this is the time to act, not 5 years from now, not 10 years from now. It could be irrevocable then. We must act now.

Mr. SOLARZ. Your interesting and illuminating recitation of history leads me to recall what seems to me to be a striking similarity, about which I'd like you to comment.

In August of 1914, in Sarajevo, the Austrian archduke was assassinated by a Serbian nationalist, and a month later the Great War had begun. As we meet here today, in the Rayburn building, Sarajevo is being shelled by paramilitary Serbian forces. This is the most significant pitched battle that has been fought in a European city since the end of the Second World War.

Yet one senses that, however unsettling this development is, the consequences for our country and the world are not nearly as great as were the consequences of the assassination of the Austrian archduke in that same city 78 years ago.

My question, Mr. Clifford, is how do we distinguish between those foreign conflicts in which we clearly have an interest in attempting to preserve the peace, even if it involves the expenditure of some blood and treasure, and those foreign conflicts which, however much we wish they could be ended, simply don't rise to the level of a potential threat to our own security interests and which we, therefore, can perhaps afford the luxury of ignoring?

Mr. CLIFFORD. We must retain to ourselves the power to decide when we intervene and when we do not. We have to be sure that what takes place does affect our national security and is of such importance to us that our failure to intervene would be an exceedingly serious setback to peace in the world.

I think we are right not to intervene in Yugoslavia. I regret what is taking place there, but that isn't the kind of situation in which we send American troops into battle there. You may remember back in—might have been 1956—we had an obligation—or it seemed like an obligation had been made by Secretary of State Foster Dulles to come to the aid of Hungary, and then, when the Soviets went in—I think it was 1956——

Mr. SOLARZ. Right.

Mr. CLIFFORD [continued]. And Hungary turned to the United States, we said to them, oh, well, you must not have understood, we cannot come over and expel the Soviets from Hungary. How do you do that? How do you send American troops or even allied troops over to Hungary and face up to the kind of force that the Soviets had?

You pick and choose those that you get into. We did it in the Persian Gulf. I happened to be in favor of what we did in the Persian Gulf. I was certainly in the minority as far as former secretaries of defense were concerned. But I thought, here is a situation. We are starting now a whole new era after the end of the cold war. This is the kind of a situation we have to expect is going to happen from time to time in the world. This one is so close to being a vital interest to us, that is, it could control the flow of oil to the free world and much more important to our allies than to us. I thought we ought to do it. And we did it, and I am glad that we did it.

But that doesn't mean that we ought to go into Yugoslavia and intervene. Because our interests are not that intrinsically involved.

DEMOCRACY AS A FOREIGN POLICY PRINCIPLE

Mr. SOLARZ. Mr. Chairman, if I may ask one final question.

Throughout the last 50 years it can probably be said that the organizing principle of our foreign policy was the containment of communism. Now that the cold war is over and communism is ending up in the dustbin of history, do you think it would be appropriate to make the promotion of democracy around the world the organizing principle of our foreign policy?

Mr. CLIFFORD. It must be an integral part of our foreign policy. It cannot be the basic criterion of our foreign policy, however.

I think we must continue to urge it. We must continue to try to impress upon the Chinese that the manner in which they conduct their country certainly inhibits support they get in the United States. We are opposed to it. And, yet, it does not constitute the fundamental basis of our foreign policy.

I think the best illustration is—I turn again to Secretary of State Foster Dulles. At one time he said—this is sometime around the middle 1950's—in a speech regarding other countries in the world, they are either with us or they are against us. I think that is wrong. You cannot put us in that position. You hope that they are with us, and you do everything you can to bring them in with you, but if they are not for us and will not go along with that particular policy at the time, then we still can find a way to get along with them.

We can't urge democracy on countries that have never had democracy. We can help them toward it, but we can't—we must not set up a standard of ideology that is our criterion. Our standard must be the question of safety of our country, the future of our country and its security in the world.

Mr. SOLARZ. Thank you, very much, Mr. Chairman.

Chairman FASCELL. Mr. Clifford, thank you very much. You have been extremely generous and patient. I want to thank you for your prepared testimony and also for the extensive dialogue that you have engaged in here with the committee. And I must say in the 37 years I have known you, I have always marveled at your clarity and the structure of your thinking process, and I see that nothing has changed.

I am delighted that I have had the opportunity to hear you again, and I want to thank you very much for cooperating with the committee for the start of what we think is a very important dialogue.

Mr. CLIFFORD. Thank you, Mr. Chairman.

Chairman FASCELL. The committee stands adjourned subject to the call of the chair.

[Whereupon, at 1:00 p.m., the committee was adjourned, to reconvene on Wednesday, May 13.]

U.S. POST COLD WAR FOREIGN POLICY

WEDNESDAY, MAY 13, 1992

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 9:45 a.m., in room 2172, Rayburn House Office Building, Hon. Dante Fascell (chairman of the committee) presiding.

Chairman FASCELL. The committee will please come to order.

Today we continue our hearings on foreign policy for the United States in the post-cold war era. We are indeed fortunate to have with us this morning Richard Allen and McGeorge Bundy, National Security Advisers in the Reagan and Kennedy administrations, who labored long and hard in the White House in helping us develop our foreign policy in difficult years.

I want to thank you gentlemen both for being here and for taking the time to add to this dialogue. We think it is most appropriate at this unique point in history to reexamine our foreign policy with an eye on meeting the challenges which lie ahead.

I know you have prepared statements. If you would like, you can submit those for the record, and we would be happy to hear you in whatever fashion you choose. Why don't we start with Mr. McGeorge Bundy.

STATEMENT OF MCGEORGE BUNDY, FORMER NATIONAL SECURITY ADVISOR

Mr. BUNDY. Thank you, Mr. Chairman. I have only a brief statement. I will talk from that and then I agree with you, we can proceed to discussion rather than speech making.

I am very glad to be here to take part in these hearings. What we call the end of the cold war clearly opens a new stage of world history, and the questions presented are even broader and more complex than the formidable list that came with your invitation. I will confine my opening statements to three matters that seem to me genuinely new and highly important, and one more that is not new but more urgent than usual this year.

First, I believe that the end of the cold war creates a new and compelling objective for American foreign policy toward all the peoples and governments in what was the Soviet Union: that we should do our best to see to it that the cold war is not renewed, but is instead succeeded by a durable and solid peace in which former opponents become reliable friends. We and our allies in the old cold war coalitions now face a task that is strongly analogous—though not at all identical—to the one that we faced in 1945, when victory

imposed upon us the urgent question of the future of our former enemies.

We won the second world war by vast campaigns, but we won the peace that followed by a quite different process in which our primary enemies, Germany and Japan, became durably and democratically our friends in a world of open political and economic partnership.

The most important danger in the post-cold war world is that the revolution that ended it—the revolution that overthrew Soviet communism—may fail and be followed by counter-revolution. I do not myself believe that the Communists will come back to power—at least not with the old words and music—but I think none of us can exclude the possibility of a new hardline regime in Moscow, repressive at home and unfriendly to its neighbors. Since such a state would still have massive military capabilities, conventional and nuclear, we would have the makings of a new cold war. It might be less threatening than the one we have come through, or it might be even worse, but we can say for sure that it is not the result we want.

The present challenge is not identical at all with those of 1945. We are not occupying powers now—and more important still our former opponent is now already, in the behavior of its peoples and new governments, a friend. It is not by accident or without persuasive evidence that our people and our government have joined in warm approval of the long strides away from the imperial Soviet policy state taken by Mikhail Gorbachev and Boris Yeltsin, and also by others in the newly independent republics.

What we have now is not the challenge of occupation and political reform, but that of helping the successful revolutionaries to achieve the kind of political and economic success that will confirm the new freedom of their countries.

But if this opportunity is different from the task of occupation, it is also different—many ways different—from the enterprise with which it is often compared—the Marshall Plan for the economic recovery of Western Europe. At least four major differences are worth our attention, each tells us a lot about what we should and should not do now.

First, this is not at all a case in which a single government, our own, can decide the magnitude and the terms of foreign assistance. Others are doing much more than we, and for durable results there must be sustained cooperation by donors and recipients both.

Second, the current situation does not permit the kind of concerted 4-year plan, a full year in the making, that marked the eventual European Recovery Program. It was possible in 1947 to build on institutions in Europe, capabilities, and shared ways of doing business that are, comparatively speaking, simply not there in the old Soviet Union.

Third, for reasons that I have not heard explained, the administration in this case has not followed the example of the Marshall planners. It has not engaged the Congress—and in particular the House—in the kind of bipartisan assessment and review that was conducted with great political effectiveness by the Herter Committee in 1947-48.

As a consequence you have before you now a bill with a grandiose title—the Freedom Support Act—but you have no solid base of your own homework for judging that bill. You cannot even tell, because the administration does not want to put a price tag on its product, just how much money this bill will cost us all.

Fourth, and perhaps most important of all, the policy of help for the former Soviet Union, unlike the Marshall Plan as it finally came before the country, does not have the enormous political advantage of a highly unpopular enemy. The man who really passed the Economic Recovery Act in 1948 was not Truman, or Herter, or even Vandenberg. It was Josef Stalin.

The Freedom Act has no such opponent to recommend it, although, as I have just been suggesting, the most powerful reason for supporting that bill is that without it the danger of a new Russian tyranny goes up.

I cite these differences not at all to deny the value of the Freedom Bill. I support it strongly as far as it goes. I cite them because I think we must avoid the suggestion, behind some comparisons with the Marshall Plan, that this is a case for taking a single big action to get the job done. The Freedom Support Act is not that big a step and it will not finish the job. Indeed the months and years just head will teach us all—in Russia, in other republics, and in every participating donor country—a great deal that no one yet knows about the path toward a growing and open economy over there.

What I think we do know, and this is knowledge that can reinforce our work as our knowledge of Stalin reinforced the Marshall Plan, is that the societies we are working to reinforce by this general policy of economic support are enormously better for their own peoples and for us, than the states that would succeed them if counter-revolution should follow their failure.

We are at the beginning here of what may well be a long and costly effort, and we shall all be very lucky if it is a quick and untroubled success. It is likely to have ups and downs. But here I agree with President Bush. The right comparison, in monetary terms, is with the cost of the cold war itself. He estimated that cost at \$4 trillion. I think its size becomes clearer if you say \$4,000 billion. One percent of that is \$40 billion, and we are still a long way short of that.

I will be more brief on two more large topics. The first is nuclear danger. Here the first point to make is that we do now have an opportunity to put the largest single nuclear danger behind us: we can reverse, we have already begun to reverse the 45-year competition between the United States and the U.S.S.R., and replace it with an open and friendly competition in the reduction of arsenals and dangers both. START can be just the beginning, indeed. I believe that it is now plainly in the common interest, and the actions of both governments already show that they are in agreement on this point, to move well below the START limits, and I also think it is not in our American interest to lag behind in this downward race. We gain nothing but expense and mistrust by resisting reductions. It is not in our interest to reawaken Russian fear by reaching for American superiority.

My third topic is even broader. It is that the end of the cold war allows us to take a new view of the world's network of multinational organizations, especially those that are connected with the United Nations. As we have seen in the last 2 years, the Security Council in New York can now do things it could not dream of during the cold war. Such success is not automatic, of course. It requires the cooperative work of serious governments. But it is much more, in what has already been done, than the sum of its participant governments.

We need to go on in this direction, and the first and largest step is one in which I should think this committee and the House must have a great role. It is to pay our bills and keep them paid.

The taxpayer will get at least as much for those dollars as he gets from any other part of the national security budget. I am not saying that every officer in every U.N. agency is a model of frugal efficiency. I am saying that the way to make things better, there as in any organization, is by giving fair support and then taking a full and active part. To put it very simply, we cannot have a strong and effective international system by refusing to pay for it.

Finally, I think that foreign affairs begin at home. The most brilliant policy will fail unless our own society is healthy and strong. But we cannot make it that way by turning our back on the world. Just as our peace now depends on what happens in other continents than our own, our internal economy is part of the world economy, and we cannot sever that connection without grievous damage to ourselves.

Foreign policy, including foreign aid, and domestic policy, including help for those locked out by whatever cause, are both indispensable and interlocking parts of a single national life. Neither one can be durably successfully if the other is not.

Fortunately, the historical record is clear: the American people are not so dumb that they do not know that. What they do expect is that in both foreign and domestic affairs the political lead will come from Washington.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Bundy appears at the conclusion of the hearing.]

Chairman FASCELL. Thank you very much, Mr. Bundy. I see you have lost none of your skill. You are as incisive as ever.

We will be happy to hear from Mr. Allen.

STATEMENT OF RICHARD V. ALLEN, FORMER NATIONAL SECURITY ADVISOR

Mr. ALLEN. Thank you, Mr. Chairman. I too have a brief statement and I will summarize it as I go along.

Chairman FASCELL. Sure. Proceed as you wish.

Mr. ALLEN. Thank you, sir.

It is a pleasure to be with you today, and I think that this hearing is an important exercise, particularly in attempting to gain bipartisan support for goals and objectives in the post-cold war period.

Nearly 30 years ago, at the first Conference of the Center for Strategic International Studies, where I worked as a staffer, I first

heard a question asked about how the United States would actually know when it had won the cold war and what we would do about it once we actually came to understand that it was so.

I was intrigued by the question then, not just because I considered it premature under the circumstances, but also because it raised the very difficult matter of what sort of policy would be needed in a post-cold war era. It was and it remains a very hard question to answer.

Under ideal conditions, actually preparing an American strategy for such an era would have been the task of scholars, specialists, bureaucrats, people with the time and the disposition to reflect upon the requirements of a period of protracted peace, or apparent peace. One could imagine leisurely debates, extended conferences and continuous hearings by the Congress as inputs to this important debate. Yet the cold war came to an end in a manner much more abrupt than anyone expected. We were unprepared for the implosion of the Communist world and we were so busy managing the decay and the collapse of our former adversaries that we did not even have time to catch our breath and assess our future requirements.

Some people did provide us with a clear warning of the impending catastrophe of the Soviet Union and its vast empire. Zbigniew Brzezinski, for example, stands out as one who understood what was going on in the Soviet world and insisted it was time to deal with a whole new series of difficult tasks and unexpected problems.

Mr. Chairman, it seems to me that our conception of national security must be adapted to these new conditions, that the emphasis on the component parts of national security needs to be shifted somewhat, according to these new conditions. While we may have anticipated that a post-cold war period would be simpler and therefore easier with which to deal, the reality now confronting our policymakers and the Congress is something else. It is a world in which complexity and unpredictability challenge the conventional policy framework in which we continue to operate.

The notion of ideological conflict as the basis of cold war conflict is gone. And in its place is a world filled with the modern, and sometimes armed, expression of old national rivalries, ethnic conflicts, religious wars, and economic struggles.

Under such circumstances, the central goals of our policy do not change dramatically. It will certainly be our objective to continue to protect the United States and its vital interests with all the means at our disposal. To do this, we will require military forces adequate to define tasks of policy, the capability to project that military power in pursuit of those objectives, and alliances sufficient to provide assistance when required.

Of these three requirements, maintaining effective alliances is perhaps the most difficult. Alliances exist for mutual advantage, and the United States has been fortunate and skillful in maintaining its principal alliances for many years. But as the late Oskar Morgenstern said, "alliances are always weaker in peacetime; alliances tend to become hard and fast and strong when things are going badly. But when things are going well, cooperation is hard to achieve."

The challenge of maintaining interest and confidence in NATO, for example, is a major problem for the United States right now. Without NATO, the outcome of the cold war would have been either changed or delayed. And in retrospect, we can clearly see the contribution that NATO made to our security and our well-being over these last 33 years. Without it, we could hardly have imagined the creation of the European Community, even while the European Community represents for us a new form of challenge.

It has always been a fundamental goal of U.S. policy to secure our economic well-being, but this component of policy has typically played second fiddle to that of military security. Now that we are unquestionably the sole surviving superpower and the prospect of a strategic military challenge has subsided, if not actually disappeared, the time has come to reassign the goal of economic security a higher and more immediate priority. Some of the machinery of government should be reorganized to adjust to this requirement, and the administration should organize to submit a plan to the nation and to the Congress.

External threats to U.S. security will be less perceptible in the era we are entering now, and there will be increased debate about these threats and the appropriate American response to them. The invasion of Kuwait by Iraq last year was clearly a threat to our security, and to that of our friends and allies, and circumstances permitted us to mobilize at home and abroad in a bipartisan manner to defeat Saddam Hussein and liberate Kuwait.

The projection of American power was successful, and we were able to persuade most of the free world to stand with us and to help pay for this costly exercise. However the objective was presented to the American people, the underlying nature of that threat was economic, but there was no suitable economic response to Iraqi aggression. In an historic reversal of past policy, the United States mobilized the United Nations and wisely operated under its mandate.

Civil and ethnic strife continues in what was once Yugoslavia. Yet a persuasive case cannot be made to the American people or to this Congress that our interests are threatened to the extent that we should project American power to stop the carnage. Logically, this should be the task of a motivated Europe, but we have seen how ineffectual are our partners there. But there will be more of this type of violence in the future, and our interests are in fact affected by such conflicts.

The point is that we must remain prepared to take action on our own when our interests are threatened and when others decline, for whatever reasons of their own, to assist us. To do that requires political will, leadership and consensus at home, considerable nerve, and adequate military power. Without these ingredients, America's global interests will suffer, and we will be disregarded by others.

I am frequently overseas, and I have the benefit of hundreds of encounters and discussions with foreign businessmen, government officials, and just ordinary people. There is absolutely no question in my mind that the world wants and expects American leadership, American initiative, and American protection.

Of course, we are criticized and sometimes vilified. But the fact remains that the power and influence of the United States are awesome in the eyes of others, who have high expectations of us.

To fulfill our assignment and to secure our interests, I believe it is essential that we maintain adequate military forces. The structure and manpower cuts now underway ought to be digested before further reductions are demanded and imposed upon our military establishment. I also believe that funding for exceptional high-technology weapons systems, especially those of a defensive nature, should be continued.

And in this category, I include particularly the requirement for continued funding of the Strategic Defense Initiative, even in its formative stages a powerful but unheralded accelerator for ending the cold war.

Let us now wait for a considerable period before chopping away again at American military strength, and let us give the President, the Secretary of Defense, and the Chairman of the Joint Chiefs the opportunity to match future requirements against the resources they will be permitted and allocated by this Congress.

A question you put asks about the consequences of an isolationist, America-First policy. There are strong signs in the country that Americans are tired of the internationalist burden assigned to them. And if not actually tired of this burden, they ask what benefits it has brought, and why they should continue to worry about the rest of the world now that the heavy lifting has been done, the cold war is over, and our responsibilities and problems at home are clearly more urgent than ever before.

The political rhetoric of this election year demonstrates that it would be measurably more difficult to sustain broad public support for maintaining America's internationalist stance. Leaders, especially our elected ones, bear a special responsibility to define our broad national purposes and to generate understanding for the important tasks that are before us. Saying this inside the beltway is easy. Arguing the case in the heartland of America is tough, and it is getting tougher every day. Just ask the Members of this body who go home every week to face an aroused electorate that demands action on the broadest conceivable agenda of domestic affairs.

The United States has a proud record in the promotion abroad of American values—democracy, human rights, support for free market economies—and this tradition will obviously continue. We have done more in this field than we have ever claimed credit for, and we have nothing to be ashamed of for having devoted so much energy and so many resources to this task.

In particular, this committee, the chairman, its ranking minority Member, and many other Members have, for as long as I can recall, have made enormous contributions in this regard, and the nation owes you all a debt of gratitude. The world, too, thanks you, because you have been a critical element of support for programs that have supported these ideals. And those programs have been difficult to measure.

We recall the strong support that you have given to USIA, to the Voice of America, to Radio Free Europe, to Radio Liberty, to Radio and Television Marti, to the National Endowment for Democracy.

These are monuments to your foresight and deep sense of responsibility to make known the American message to the peoples of the world around.

To think that some now advocate shutting down parts or all of these vital services, just as their new tasks are taking shape, is inconceivable. Members of this committee may never hear the resounding roar of approval and thanks for what you made possible in this vital sector, but you must know very well that the millions of folks who have been liberated from systems of oppression and servitude have heard the message you made possible, and they thank you.

The task of promoting democracy and American ideals is something of which you can be proud, because you provided the resources to allow successive administrations to get the job done. But you must not let the budget axe fall on these programs which still have an enormous job to complete. And in this regard, I make special reference to Radio Free Europe, whose task remains important and formidable.

To two of your questions, Mr. Chairman and others, I would like to respond in our discussion period: those dealing with structures for formulating and executing foreign policy tasks in the post-cold war era, and the matter of how and when the United States should make difficult choices to support existing governments as opposed to recognizing break-away ethnic groups.

Thank you.

[The prepared statement of Mr. Allen appears at the conclusion of the hearings.]

NO DOMESTIC CONSTITUENCY FOR FUNDING INTERNATIONAL PROGRAMS

Chairman FASCELL. Thank you very much, Mr. Allen, for that thoughtful perspective, as we approach this new era. Each of you have raised a whole series of questions in your response to ours, and yet I detect a thread of continuity in the discussion which you have laid before us.

One fact that is very obvious is that we have to be strong at home. And I suppose that that means both in terms of political stability and economic strength. And in order to do what we are talking about here this morning, it seems to me that one of the major problems that confronts us is the allocation of resources, the proper allocation of resources, whether it is going to be for defense or payment on the national debt, or for whatever we are going to do internationally.

And we are confronted with a difficult problem here, which appears at the moment at least is about to be resolved in a manner which I find extremely distressing, and that is a constitutional amendment which would mandate a balanced budget, which has not been submitted by any President since I have been here except one. And I just wondered what your thinking is.

I do not want to drag you into the domestic political squabble. But in a broad philosophical sense, do we not have to address this problem of the \$4 trillion deficit, the continuation of an unbalanced budget, and what some people think is a misallocation of funds on improper priorities?

Mr. BUNDY. Yes.

Chairman FASCELL. Well, I agree with everything that you said, too.

[Laughter.]

Chairman FASCELL. Mr. Allen.

Mr. ALLEN. I certainly think so, Mr. Chairman. And as a proponent of a balanced budget amendment, I may be committing a bit of heresy here by asking for continued support of important international programs. I think that one of the major problems is gaining the confidence of the electorate. And I believe that the confidence of the electorate has been severely shaken, not only because of the sudden return to domestic priorities and the obvious need to fund them, but particularly when the electorate considers that the war is over and that the burden should have been lifted, and there ought to be a peace dividend.

Chairman FASCELL. You mean the glue of fear is no longer adhering?

Mr. ALLEN. I think that that is exactly correct. And it also explains a lot about why divisions in the major alliances of the United States have been introduced. I believe that our traditional partners, for example, are beginning to perceive that their interests in a way, while not necessarily inimical to the interests of the United States, are quite different, and will head in their own direction.

And so, too, at home, in the absence of some overarching threat, the consensus tends to disintegrate and break down. And it cannot be sustained without a concerted effort on the part of the national leadership.

Chairman FASCELL. Well, I certainly agree with that. The American people have common sense. They know that this struggle is not over. Whether it is transferred from the battlefield to the economic field does not make any difference. I think that they see that. But there certainly is a reluctance to proceed with what the American people perceive as foreign aid, to a former enemy or to anybody else for that matter.

WORLDWIDE RESISTANCE TO FUNDING COSTS OF REUNIFICATION

Mr. ALLEN. Could I just make a point in that regard, Mr. Chairman?

Chairman FASCELL. Yes.

Mr. ALLEN. The experience of Germany is very enlightening. We are now scarcely 30 months from the time of the collapse of the Berlin Wall. I can remember a spokesman for our government saying at the time of the collapse of the Berlin Wall that the reunification of Germany would not be on our agenda for the foreseeable future. And in fact, within 8 months, it was accomplished.

Chairman FASCELL. They had not counted on the Hungarians cutting the fence.

Mr. ALLEN. But today, the attitude in Germany toward the continuation of the process of reunification, or one might say the consequence of the reunification, is highly enlightening. There is a great resentment. You mentioned resentment toward foreign aid in this country. There is resentment toward continued aid to the east-

ern part of Germany on the part of West Germans, whose lifestyle is threatened today.

Instructive also is the example of Korea, which remains one of the most vivid pictures of a divided nation. It was for a time assumed that that barrier would collapse, and that reunification would occur quickly. Now people in South Korea are far less eager to proceed with reunification, because they know of its costs. So the entire world is afflicted with a resource allocation problem.

REALLOCATING DEFENSE FUNDS TO MEET U.S. INTERNATIONAL SECURITY INTERESTS

Chairman FASCELL. So what does the United States do, Mr. Bundy?

Mr. BUNDY. Well, Mr. Chairman, I do not think the budget balancing amendment is the solution to the problem. That will simply create a slightly higher fence over which the Congress and the President will have to jump when they go right on having deficits. It does not work, and it gives an illusion that it will work. And it distracts our attention from the real business of figuring out where to spend less, and figuring out how to raise more money.

I think, myself, that that basic domestic, really fundamentally domestic set of policy choices, I think that we have been pushing that to one side for the last dozen years—and more, because it is not a one party affair, although the Republicans certainly have the championship on the executive branch side for producing deficits.

The question of finding public support for international programs has been with us, I was about to say, for 45 years. And I am inclined to think that I should make it longer, because that problem arose at the end of World War I, too.

I think the thing to do now is to follow up on the basic notion of making expenditures that are in the international security interest of the United States, and measuring them against each other. And the Congress has given us all an excellent example on exactly that point in the Nunn-Lugar amendment of last year, which essentially allocated defense-budgeted funds for a process of assistance, \$400 million as I remember it, in the process of undoing the difficulty, and danger of nuclear weapons loose in a bunch of new republics.

The Congress was very quick to see that this was a better use of defense money than the marginal dollar in defense expenditure as conventionally construed. So I think that that is a good example.

We are going to have continuing reductions in the defense budget. Naturally, the leaders of the Department of Defense wish to stand pat on each succeeding line of defense of their budget. But we are seeing as the debate unrolls clearer and clearer evidence that the estimates so far do not fully take account of the very great change which is created by the new relationship between us and the old Soviet Union.

So there is plenty of room there. And this country is much too big, much too rich, and much too strong to get into a false debate with itself about foreign expenditure and domestic expenditure. We have been doing both on the whole with great success for half a century. And I do not think there is any genuine public support of the notion of isolation. The principal isolationist candidate is re-

turning to the profession which he graces rather more than politics, and we should get our courage back.

Chairman FASCELL. Mr. Gilman.

U.S. POLICY TOWARD ETHNIC DISPUTES IN NEWLY INDEPENDENT STATES

Mr. GILMAN. Thank you, Mr. Chairman. We certainly welcome the analysis our two experts have presented to us today. And we welcome Mr. Allen and Mr. Bundy before us.

We met yesterday with the Secretary-General of the U.N. And one of the questions we posed to him was as a result of the collapse of the Soviet Empire, and Eastern Europe, and the break-up of the Soviet Union, that a number of ethnic disputes have arisen. In the months and years ahead we are going to have to determine which of these conflicts we involve our nation in.

The question that was posed to the Secretary-General was, what criteria would you suggest for determining when we should support the right of self-determination, and when we should support existing governments at the expense of break-away ethnic groups. We did not get a very clear answer yesterday. I would welcome hearing your thoughts.

Mr. BUNDY. I would like to say that I think that the Secretary-General was very intelligent not to give you a very clear answer. Because these things surely depend on a case by case analysis of the situation. If you try to say that we will always be on the side of the existing federated state and against a new political arrangement, you will run into the kind of difficulty that indeed our administration did run into when it seemed to be saying that there could only be a Soviet Union and not a series of independent republics.

And what happened was that the people on the scene and the governments on the scene, including the Government of the Soviet Union, joined in a different decision.

So I think that we just simply have to take those cases one at a time. Now where there is an explicit and clear cut and sustained set of violations of human rights, we have a criterion of concern there that will influence our decisions. When there is a very important national security interest, we are quite likely to find ourselves, and we often have found ourselves, closer to a particular government than we might have been on independently assessed merits of the civic condition in that particular situation. I do not know any escape from the requirement of looking at each case on its own merits.

NEED FOR BETTER INTELLIGENCE ON ETHNIC GROUPS AND CONFLICTS

Mr. GILMAN. Thank you, Mr. Bundy.

Mr. Allen, do you have some thoughts about that?

Mr. ALLEN. Yes, I do, Congressman Gilman. And I certainly agree with McGeorge Bundy's assessment. I would like to add, however, that there is now introduced in our foreign policymaking machinery an urgent need for more information and better intelligence about what happens in the world, particularly in the world of these ethnic conflicts.

For many years, it appeared to many people in the United States that the Soviet Union was a place inhabited by Russians. In fact, it was an artificial empire composed of some 115 or more ethnic groups. I spent a lot of my time as an undergraduate student and a graduate student studying the Soviet Union, and thought that I knew a lot about it. And yet when the collapse of the Soviet Union began, I learned almost on a daily basis of new ethnic groups or sub-ethnic groups that I had never heard of before.

This places a tremendous strain on our resources—how to get good intelligence about what is happening in these areas. These are at least a marginal national security concern to us, if not our allies, and we may be constrained at one point or another to take action to assist, as Mr. Bundy points out.

So we need to know more about the world and the potential crises. And we need to spend more of our available resources targeted on training scholars and research specialists, and making our intelligence apparatus more efficient.

I would like to say that Director Gates has done a fine job in his reorientation of the agency's activities. And I think that the intelligence community generally will come around to the position of being able to provide more relevant intelligence quickly.

Just one brief remark. We see how an administration can get out in front of itself. I mentioned the case of Germany. It clearly was a mistake to announce our position or our views about the reunification of Germany, because events overtook us and we looked somewhat foolish.

The same was true of the speech that the President made in Kiev, which I think was in fundamental error. Another example was the way that we viewed Yugoslavia. We viewed it as an integral country when it is in fact at least six nations, and never has been more than something artificially held together by baling wire and guns.

Mr. GILMAN. So that is a failure, having good intelligence?

Mr. ALLEN. It is not so much in the case of Yugoslavia. But certainly in the case of the Soviet Republics, this is a problem.

ASSESSING THREAT OF ISLAMIC FUNDAMENTALISM

Mr. GILMAN. Now that Communist societies around the world are on the wane, is the rise of the tide of political Islamic going to be the next threat we will face? What can we do about the threat of political Islam?

Mr. BUNDY. The problem has been going on in ups and down since the seventh century, and it is not likely to go away. And I do not think that we can do a great deal about it, except to be alert to changes in the Islamic world, and try to have the kind of well-informed judgment that Mr. Allen was talking about in another context.

It is an enormous and enormously varied world, the Islamic world. And we have to respect its variety. We have a kind of relationship with Indonesia that would be very difficult for us to have with Libya. But we have to frame our policy in the light of the particular situations.

I do not myself see a great tidal wave of new Islamic power. I think that it is much more a matter that has to be taken continent by continent, country by country, and case by case. We have in front of us the extraordinary difficulty that we confront as victors in a country which is mostly Moslem but many different kinds of Moslem, in Iraq.

Mr. GILMAN. Thank you.

And Mr. Allen, would you care to comment on that question?

Mr. ALLEN. I would certainly agree with Mr. Bundy again, with this additional statement: We have to make it very clear to Islamic fundamentalist states that should they choose a path of practicing or exporting terrorism, we will be prepared to deal with such phenomena decisively and swiftly.

Mr. GILMAN. I want to thank both panelists.

Chairman FASCELL. Mr. Solarz.

ASSESSING NEED FOR CHANGE IN FOREIGN POLICYMAKING STRUCTURE

Mr. SOLARZ. Thank you very much, Mr. Chairman.

After the Second World War, in response to the challenge that we face from the Soviet Union, we reorganized the foreign policy and defense structure of our government in order to be better able to cope with the threat that we faced at that time. We established both the Department of Defense and the National Security Council. I think that both of those institutional changes served us relatively well over the ensuing years.

Now that the cold war has come to an end and we face rather different challenges abroad than we have for the last half century, do you think it would make sense for us to make any new changes of an institutional character in the structure of the State Department, the Defense Department, the NSC, or any other branches of the government in order to put us into a better position to cope with the changing character of the international environment now?

Mr. ALLEN. Well, I think that there is room for sculpting of existing institutions, Congressman Solarz. And one of the changes that I would like to see reflects the growing importance of national economic and trade policy. I believe that there exists a major deficit in that there is no National Security Council of Economics. As McGeorge Bundy will tell you, his staff at the time in the National Security Council was quite small. They did a remarkable job with a very, very small staff.

By the time of my first incarnation in the NSC in the Nixon years, we witnessed a rapid transformation of the NSC to, I believe, nearly a hundred people. By the time the carousel came around again and I once again reentered it in 1981, I believe that I had 32 or 33 professional posts.

And I think that it is woefully understaffed. But I think that the National Security Council itself is a staff function, that of the National Security Advisor should be a staff function. And I believe that we should be hard pushed to make the bureaucracy work effectively.

What is missing, however, is something that existed in a very brief time period. It was then called the Council on International

Economic Policy, established by President Nixon in 1971. There was an Assistant to the President for International Economic Policy, and a formal structure of an internal mechanism that was made to work.

Unfortunately, this body was dismembered and ultimately abolished by the incoming Carter administration in what I understand was an economy move. Now, as never before, the President of the United States needs an effective body at his right hand, as close to him as the National Security Council, to advance our economic interests.

Such an institution should not be viewed as a threat to turf, which it was in the past, and was therefore conveniently killed by a combination of a powerful Secretary of State at the time and a powerful Secretary of the Treasury who considered that such an institution would in fact invade their dominion of decisionmaking.

Such an institution could be a friend in court to all of the agencies that are involved in international economic policy. And they number in the dozens, perhaps 60 or 70. That is one change that we need.

And second, I would like to again emphasize that the process of opening the intelligence community to the public, and the declassification of its findings, and the wider circulation would only be a benefit to the Congress, to the administration, and to the people at large in forming judgments.

STRENGTHENING INTERNATIONAL ECONOMIC ARM OF NSC

Mr. BUNDY. I agree with a good deal or really most of what Mr. Allen has just said. I think that there is an unsolved problem about the relationship of the White House to international economic affairs. Our principal immediate economic business internationally when I began in the government was international trade and tariff policy. And President Kennedy resolved the problem of leadership there by persuading Chris Herter to take that job as a presidential appointment.

And I cite that example, not because it is necessarily the right model, but only to make the point that a president who wants to have a clear and controlling presidential role in the matter of executive policy can do it in a number of different ways.

That became known as the Kennedy Round of negotiation. But the agreement which—not the agreement, but the statement which the President made to Mr. Herter at the beginning was characteristically funny but also quite presidential. “This is the Kennedy Round until it fails, at which point it becomes the Herter Round.” And Chris Herter, being the kind of man that he was, laughed that one off and went on about the job.

And that power is always there in the White House. I think that Mr. Allen will agree that the test of a National Security Council staff is really not its size but its effectiveness. And that the test of its effectiveness depends on whether the brethren in the large departments believe that these people have in some sense the President behind them. If they do, one kind of behavior takes place. And if they are not thought to have it, if they are thought to be free-

lancing, they will in effect be promptly dealt with by the massed angered forces of the great Federal departments.

So I think that you have to look at it case by case. I think that right now that there is a very powerful case for a stronger presidential process properly supported by White House staff. You have an excellent national security enterprise, but it is not active economically. It is not equipped to be currently, equipped or staffed, to be effective in that area. And I think that there is a problem of organization behind the rather slow process of pulling the government together with respect to the basic business of economic relations with the former Soviet Union.

So there is lots of work. I do not, myself, think that very large massive legislated rearrangements of the relationship at the upper levels of the executive branch is likely to work. The National Security Council has been several different things under several different administrations in the years that I have been observing it. And that would be true, I think, also of economic relations.

NEED FOR IMPROVED COMMUNICATION BETWEEN EXECUTIVE AGENCIES

It is certainly true that we need more access to the information the government has. That is an absolutely critical problem in nuclear arms control. If we had put together all of what everyone inside the executive branch knew about Saddam's nuclear capabilities and efforts, we would have known more than the President did know in 1989, 1990, and 1991.

And that kind of internal failure to communicate what this massive government somewhere in its organism knows is a major problem. You have that problem up here, in knowing what you are supposed to know, because people are so eager not to tell you so much of the time.

NEED TO REDEFINE NATIONAL SECURITY

Mr. ALLEN. Could I add one thing, Mr. Solarz? It also strikes me that we need to have, at least for the public mind, a new definition of the component parts of national security. That seems to me to be a fundamental task. And we should stop thinking about national security solely in military terms.

There are some very good signs that our embassies are taking the initiative now to protect and promote American business abroad, and to collect intelligence and to make it usable. We see this all of the time. The so-called Eagleburger memorandum, which went out under the signature of Deputy Secretary of State Lawrence Eagleburger, has had a galvanizing effect in many embassies around the world. I see this, and am quite proud of the activities of some of our embassies abroad in promoting the American economic interest.

PROMOTION OF DEMOCRACY AS CENTERPIECE OF U.S. FOREIGN POLICY

Mr. SOLARZ. Mr. Chairman, if I might, one final question.

Now that the Soviet threat has been eliminated and the cold war has come to an end, how would each of you respond to the argument that some people have advanced that the promotion of democracy and human rights, instead of the containment of commu-

nism, should now become the centerpiece of American foreign policy. The rationale is that a more democratic world, a world in which human rights are more widely respected, is more likely to be a world conducive not only to American interests but to American values.

Mr. BUNDY. I am not quite sure, Mr. Solarz, that I understand the argument that you are not so much making as presenting. I should suppose myself that the United States always wants to be a supporter of human rights. I think it is a very different question to ask oneself what exactly you are going to do about human rights.

The distinction was clear way back at the beginning of the republic. And there on the whole, as I remember it, the prevailing view was that if we could make this country work, that that is the best thing that we can do for human rights.

In some sense, that is still part of the truth. We have hard choices in many cases. There are governments that are important to us that are not very democratic. All over the Middle East there are governments like that. And we understand that, and we live with it, and I think that it is right that we should.

But we should be on the side of greater respect for human rights. I think that it was right to have detente with the Soviet Union when the Soviet Union was not a very good place in terms of human rights. But it is much better to have the kind of relationship that we have with them now.

I do not believe that it is an either/or matter. I do not think that you turn away from questions of possible military danger. We had to have strength in the Middle East, as you yourself made clear at the time. And we had to have strength in the support of the stability of Europe. We are going to have to have considerable strength as we work through the process of new relations with the Soviet Union. While the cold war is over, the possible threat from that part of the world has not ended.

So I think it is not either/or, it is both/and. And I would want to judge a particular recommendation for a more active human rights policy in terms of its relation to the particular violations, the particular politics, and the particular ways and means in which our action might help.

BENEFITS OF STRONG HUMAN RIGHTS POLICY

Mr. ALLEN. Sir, I would just respond briefly. As one who was somewhat skeptical of the value of continued emphasis on the Helsinki Declaration, I can see now with the benefit of hindsight that this continued insistence was very wise indeed. And I think that we lose nothing by being very strong proponents of human rights and the promotion of democracy, free markets, and the like in all of our dealings.

There are some specific examples. Of course, China is very important to the United States. But I see no reason whatsoever to remove the pressure on China to extend human rights. It does not serve our interest in the long run to remain silent. And nothing will happen unless we keep the pressure on.

There are examples, such as South Africa, the Philippines, Taiwan, Korea. Democratization of many of the countries of the

Pacific Basin has occurred over the course of the last 10 years. This has been important. And the constant pounding on human rights and basic freedoms has been an important component of the success. The world happens to be more democratic than it ever was before.

I think that even in Latin America, where as never before we have democracies prevalent, the insistence on human rights has been a valuable component.

So I do not think that we need to defer to any immediate needs, except in cases of extreme emergency, on this issue.

Chairman FASCELL. Mr. Leach.

DEFINING PROPER ROLE AND FUNCTION OF NSC

Mr. LEACH. Thank you, Mr. Chairman.

First, let me just comment. I thought that both of your opening statements were very thoughtful, and I am very appreciative. And I think that the comments have been extremely helpful. The discussion about the NSC staff as well as functions, I think is valid.

Although one has a sense, Mr. Allen, that sometimes when one says that it is just a staff job, one really implies that it is more than that. I mean it is an almost ultimate policymaking position.

On the other hand, I am reminded that at the beginning when the Iran Contra scandal broke, one of Dwight Eisenhower's former military aides commented that he thought that more than anything else, unrelated to the policy implications, that there had been a breakdown in the chain of command. And that someone like Eisenhower never would have stood for that break in chain of command. So institutions do matter, how you set them up, and where decisions are made, and who implements them. I think that as an implementing arm of the government, the NSC is particularly inappropriate.

ENDORISING ADMINISTRATION'S RECORD ON INTERNATIONAL ECONOMIC ISSUES

I do like your thoughts on recognizing the import of international economics, and discussion about where decisionmaking might be refocused. But one of the interesting aspects, as I look at this administration, is that for all of the criticisms of Treasury, its international economic arm has been rather well led. And the policy is extraordinarily progressive: from the Enterprise for the Americas Initiative to trade liberalization through GATT.

This administration has been particularly thoughtful on international economic issues. One might quibble from time to time on some of the trade circumstances, where one can always differ on what any individual country is trying to do to the United States. But in terms of broad policy, the policies in place are pretty good. Therefore, there is not a great questioning of where these decisions should be institutionally based.

But sometimes when things are going rather well, I think one should also look at the institutions. And I think that the idea of upgrading an international economic arm either within the NSC or analogous to the NSC makes a great deal of sense.

PROPOSAL FOR EXPANDED INTERNATIONAL LEGAL ORDER

The question that I wanted to ask though relates more to something that Mr. Bundy raised earlier about the bang for the buck return that the U.S. national interest gets from support of the U.N.

One of the U.N.-related institutions that has gotten surprisingly little public attention in the last half a dozen years, although some very significant policy decisions have been made that I am not convinced are of the wisest dimensions, relates to the World Court. Where partly because of our policy in Central America, we withdrew from the compulsory jurisdiction of the court.

Would either of you like to comment on the direction that you think that we ought to be heading in U.S. policy to the court; and secondly, whether you think the time is right for consideration of a new kind of institution or institutions that might come under the rubric of an international criminal court to deal with violations of international law, for example crimes of terrorism, crimes of international drug trafficking, and perhaps against peace itself.

And I am wondering if either of you would like to comment on that extra dimension of the U.N. rubric. Mr. Bundy.

Mr. BUNDY. Well, not for the first time, Mr. Leach, I am impressed by your thinking more than I am impressed by my ability to contribute to it. Because I really have not addressed the international legal order questions that you are raising now. I am inclined to the view that it is a very good time to open that question. But I am absolutely sure that I would not ask me for advice about it.

Mr. LEACH. Mr. Allen.

SUPPORT FOR INTERNATIONAL ECONOMIC AND TRADE POLICY TEAM

Mr. ALLEN. Mr. Leach, may I just refer to the earlier part of your statement. And I would leave the wrong impression if I were to convey that I was not very high on and satisfied about the international economic and trade policy organization of this administration.

In Treasury, the names of Brady, Robson, Mulford, and Wethington indicate success. In USTR, Carla Hills, Julius Katz, and Michael Moskow have done superb jobs. At Commerce, Secretary Mosbacher, Under Secretary Farren, and others have done a great job. And in State, former Under Secretary McCormack, and Deputy Assistant Secretary Kristoff, have done a marvelous job.

What I am arguing for is preparing for the future. I am arguing for strengthening something that has been in my judgment very, very successful in the pursuit of protecting American interests abroad and advancing American interests. So I join you in lauding the administration for what it has achieved.

SUPPORT FOR DISCUSSIONS ON EXPANDED INTERNATIONAL LEGAL FRAMEWORK

I also think that with respect to the main question that you have asked, Mr. Bundy, while I am not the person to respond with expertise on the subject, it is an appropriate time to open this question, and to mobilize all of the elements on the international scene that are available to us.

Of course, I am aware of your own interest, deep interest, in this subject over many years, and your promotion of the cause of greater participation in the international legal framework to advance American interests. There will always be the question that I suppose was embedded deeply in the reasons for the Connolly amendment, the question of the surrender of American sovereignty, or the question of whether or not we subject ourselves to a legal regime which would then run out of control, and perhaps violate American interests rather than support and serve them.

FINANCIAL CONSTRAINTS ON U.N. PEACEKEEPING OPERATIONS

Mr. LEACH. I appreciate that. I would just like to raise one other very quick issue, if I could. And that relates to the unraveling in Eastern Europe and Central Europe of some of the ethnic disputes, and some of the new questions that relate to sovereignty. In this regard, there may be an emergency in terms of funding when you relate to the U.N. on this whole issue of peacekeeping.

As we look at these new kinds of conflicts that are emerging, it appears that there are greater appeals for U.N. intervention. But those appeals are being constrained by the resources themselves. And whether it be Cambodia where we do have a substantial commitment, or Eurasia and the Balkans, one of the great questions is whether the U.N. has got to become more aggressive in intervening on an earlier timeframe. It also raises some questions of a philosophical dimension. And that is not only conflict between countries aggressing across borders, which may not be recognized countries at one point in time, but also in disputes within societies.

I think that it is something that all of us are going to have to look at it. We all understand that the Secretary-General is going to come out with some reported recommendations in the next month or two. But I do think that related to the philosophy is going to have to be the resource question. That is if one assumes a stronger role for the U.N., there is going to be a cost to that stronger role. And we are going to have to deal with it within the confines of possible balanced budget amendments and other types of constraints.

So one of the great questions is going to be in national security terms where we are going to put our priorities. I just raise that, because I think that it is one of these issues that is going to be very signal in the next several years.

PENTAGON COULD CONTRIBUTE TO IMPROVED U.N. PEACEKEEPING CAPABILITY

Mr. BUNDY. It is a very important issue. And I think it is also a very difficult one, as your comment suggests. And we are going to have to learn from experience. I think, myself, however, that we do need very much to get away from the instinctive feeling that the uses of military power will be always American in the sense that we make them, we build them, we lead them. We seem to be perfectly willing to lead other people, but we act as if nobody should ever lead Americans but Americans.

I think the right way to do this is to try to find a way in which the extremely gifted and effective kinds of leadership and understanding which we have at the higher levels of the Pentagon are

engaged themselves in the question of the ways and means of having a better capability for blue-helmeted U.N. action, and a better capability for regional action in regions where we have ourselves some present responsibility.

I think that this is unfinished business. I would be extremely careful not to try to tell leaders like General Powell how to work this matter out. But I can imagine a President saying to him that he wanted them to go to work on this matter and find better ways of doing it, and I am confident he would get an intelligent and a responsive return.

Mr. LEACH. Thank you very much. Thank you.

Chairman FASCELL. Mr. Johnston.

FUNDING PRIORITIES FOR INTERNATIONAL PROGRAMS

Mr. JOHNSTON. Thank you, Mr. Chairman.

Last week sitting there was Mr. James Schlesinger and Clark Clifford in your seats, and they gave some very interesting observations. Mr. Schlesinger was talking about the fact that we could no longer be the policeman of the world, and I kind of went around several countries: Peru, Cuba, Yugoslavia. I was interested in his answer.

There seemed to be a lot more agreement between those two witnesses, though, in certain aspects than in the two of you, and I am wondering if there is some common ground.

Mr. Allen, if I could ask you three questions. I learned from Mr. Solarz that if you put three questions in your 5-minute period, then you can bring out a lot more.

But in quoting on page 5 of your statement, Mr. Allen, you say, "A question you put asked about the consequences of an isolationist, America-First policy. There are strong signs in the country that Americans are tired of the internationalist burden assigned to them."

Mr. Clifford, coincidentally, was walking through history with the Marshall Plan and stated that when it first started there was only a 30 percent acceptance in the country, and that the reason that Truman went to Marshall was because the Congress was dominated in both Houses by the Republicans.

The Chairman then asked Mr. Clifford, well, after the first year of the Marshall Plan, was there any greater acceptance; and he said, no, there was less acceptance, and that the Americans felt that, gee, who won the war, and it is almost *deja vu*, our aid to the former Soviet Union.

My three questions are: number one, do you agree that we should pump money into the CIS, the Commonwealth of Independent States?

Number two, you mention Radio Free Europe at least three times in your statement. Who are we going to broadcast to? And that is a serious question.

And three is, if there is a balanced budget amendment, should SDI, should Radio Free Europe, should TV Marti, should these things that you list as priorities be exempt from the balanced budget amendment?

SUPPORT FOR ASSISTANCE TO THE CIS

Mr. ALLEN. In rapid fire answer, I would say, yes, indeed, we should spend money in the CIS. I would want to refine a little bit the terminology of pumping money into the CIS, because I believe that we have an obligation to assist those people who have now been liberated from the yoke of tyranny and who have no democratic traditions whatsoever.

Mr. Bundy referred earlier in his statement to the structural difference between 1945 and 1992, and indeed that is a fundamentally different structure. We were able to rebuild the shattered economies of Western Europe ultimately through the Marshall Plan that led, incidentally, to the creation of NATO. I think you would not have had a NATO without the precursor of the Marshall Plan primarily because there were extant in those countries people who had had not only an exposure but perhaps a deep immersion in free market economies in the inter-war period.

The CIS is a vast empire that has no experience whatever in market economies and must go through a period of great pain and suffering before it can get a foothold. It is in that area that I think pumping money, if you want to use it that way, should be directed.

We also have wonderful private sector organizations that are at this moment active in the former Soviet Union. I can tell you of the voluntary and early activity in intervention, if you will, of the Hoover Institution on War, Revolution and Peace in the CIS. Hoover established contacts independent of any government framework, and has begun to train budding capitalists.

The Kriebel Institute, headed by Dr. Robert Kriebel, a very successful businessman who has spent his recent years helping what he considers to be just causes, is very active in the former Soviet Union.

There are organizations that have developed from the Chamber of Commerce, Dr. Richard Rahn, the former chief economist, is active in Bulgaria, promoting private enterprise concepts.

All over Eastern Europe we have effective activities. Dr. Carol Adelman, the Directors at USAID of Programs for Eastern Europe, and until recently, I understand, the CIS, has done a marvelous job of using very limited resources and involving the private sector to get into the former Soviet Union and teach.

So I am very impressed by what has been done. I think a combination of stimulus from the Federal Government and other activities, perhaps through tax incentives to private businesses would be a very worthwhile exercise.

NEW TASK OF RADIO FREE EUROPE

The new task of Radio Free Europe is to do exactly what I have just mentioned: to broadcast to peoples who have been away from a market economy for a long time. Radio Free Europe represents the best opportunity, the biggest bang for the buck, in my opinion, for retraining and assisting the peoples of Eastern Europe. There are new potential modalities of supporting Radio Free Europe, such as opening it for advertising to generate revenue. But Radio Free Europe has been an enormously effective instrument. And as I said in my statement, it is something of which this committee particu-

larly can be justly proud ranging over a period of decades and consecutive chairmen.

Regarding the balanced budget, should the priorities that I mentioned be exempted? No, I do not think so. I think they should be subjected to the same kinds of scrutiny and strap-hanging, if you will, to which other programs are subjected to.

Mr. JOHNSTON. Thank you.

Chairman FASCELL. Mr. Smith.

CRISIS IN YUGOSLAVIA

Mr. SMITH. Thank you very much, Mr. Chairman. First of all, I want to thank you for arranging for this committee to benefit from two of the finest foreign policy minds on the world stage. Thank you for this opportunity to hear this discussion.

I would like to focus my questions on Yugoslavia. Mr. Allen, you did reference it on page 4 of your testimony. As I think we all know, for months the world community as sought to appear as even-handed in its dealing with Croatia and Serbia despite compelling evidence right from the state that Serbia was engaging in aggression against Croatia, with the JNA providing the firepower in what is an obvious military effort to grab territory. The upshot is in excess of 10,000 people are dead, hundreds of thousands are homeless or displaced, and there has been in excess—the estimates vary but hundreds of millions of dollars of lost property.

Now the Serbs have trained their guns on Bosnia-Herzegovina, and are systematically destroying that country as well. Thankfully the diplomats are bypassing what I would consider to be the intellectual dishonest game of publicly ascribing equal blame to both sides while privately conceding that Serbia was at fault. They now, as evidenced again by the declaration of the CSCE ministers, are pointing the finger very clearly and unmistakably at Serbia's leadership.

I would like to read one statement made on May 12 by the CSCE ministers, and I quote, "The pattern is clear, gross and uncorrected violations of CSCE commitments by the authorities in Belgrade and by the Yugoslav National Army are now unmistakably established. Those leaders have driven themselves into isolation. It is they who bear the prime responsibility for the escalation of bloodshed and destruction," and it goes on from there.

Yesterday, Bosnia's foreign minister, Dr. Silajdzic, gave very moving testimony before the Helsinki Commission, and the bottom line of his testimony was really an appeal. It was a plea from a dying country for help from the world. He called, for example, for the creation of security zones surrounding cities like Sarajevo. In response to questions that were posed by me and others, he said that the U.N. arms embargo was actually hindering Bosnia's ability to defend itself because we know that the Serbian nation has the ability and has a large stockpile of munitions whereas Bosnia does not. The bottom line of his testimony was that an international force would be the only way to stop the bloodshed.

Could both of you assess what the United States, the EC and the U.N. are doing right now to try to mitigate and ultimately resolve this crisis? What should we be doing that we are not doing? And,

specifically and finally, could you speak to the issue of international force?

Mr. BUNDY. Of what?

Mr. SMITH. The use of international force.

U.S. ROLE IN RESOLVING YUGOSLAV CONFLICT

Mr. BUNDY. I am very hesitant to offer you any clear-cut opinion on a situation that I simply do not have that kind of knowledge of. I think that, broadly speaking, the difficulty that you underline is one that is real and strong; namely, that there is an effort on the part of the Serbians to maintain a control that can only be maintained by a kind of use of force that in itself, I think, undermines the validity of the basic claim.

I think that the movement that we have been seeing in recent months is a movement toward support by outside powers and international organizations of an arrangement that is being resisted by force by those forces. And I think that there will have to be, if there cannot be a more peaceful arrangement, then it would appear to me that there is a very serious question before the international community as to whether there has to be further action and who is going to take that action.

I myself believe that there is a very, very important principle for the United States here, which is that we ought not to suppose that all kinds of intervention require that the United States be the primary decider and coalition organizer, and that in this case we are dealing with what is quintessentially a European problem. So that CSCE and other European institutions are the right place for focal international attention, and I myself do not think the United States should try to take an independent leadership position.

Mr. ALLEN. Well, Congressman Smith, recalling the reaction of the United States to Germany's initiatives in recognizing and attempting to protect Slovenia and Croatia, it would seem to me that the United States should indeed be urging the Europeans to action.

Incidentally, Germany's action on Slovenia and Croatia irritated the United States because it did not comport with what was at that point our policy of maintaining a unified Yugoslavia, which I consider to be a policy grossly in error. And had we not pursued such a policy of maintaining at all costs a unified Yugoslavia, I think that there might have been some chance to head off the kind of violence that has occurred and the havoc that has been sustained by the peoples affected.

So my view is that we should be placing even greater pressures—I know it is easy to say and difficult to achieve—upon the Europeans to become involved. But it has reached the point now, a quantitative point, at which I begin to believe that the United States should take an active leadership role. And as difficult as it may be in an election year to make this case, because there are somewhat profound domestic implications due to the number of Serbs and Croatians in the United States, we should nonetheless cast those considerations aside and put the Serbians in the dock. It is reaching the proportions of organized genocide, and the Serbs are getting away with it.

I for one do not believe that we can much longer tolerate this kind of large-scale genocide and violation of human rights. Somebody has to do something. And if it takes the United States by default of the European powers to organize something more effective, then so be it.

That said, I just want to point out that there is a concern in some places about, generally speaking, the deployment of German troops outside Germany's borders. There are logical and valid historical reasons for that. The same applies to Japan, for example, in its own neighborhood.

So the United States, as unpleasant as it may be to hear this, has before it an unfinished task. We have got to clean up, and where others will not act, and when we cannot persuade others to act, there exists the prospect of making the case for action. And doing the right thing will in the end be the correct policy for the United States. Protection of lives and protection of human rights seems to me to be the right thing.

Mr. SMITH. Thank you very much.

Chairman FASCELL. Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Mr. Chairman, I appreciate the opportunity, but I would respectfully defer to my colleagues who were here earlier.

Chairman FASCELL. Mr. Sawyer.

INTERNATIONAL DEMOGRAPHIC MOVEMENTS

Mr. SAWYER. Thank you, Mr. Chairman.

At several points today we have heard discussions of the way in which a phenomenon is affecting international policy. I have been convinced for some time now that in recent years, like a century ago, we are seeing a period of time in which massive demographic shifts in the world, both within regions and across regions, are both a signal and a cause of international change.

To the degree that we are engaged today with the United States both as a final destination for large-scale international demographic movement, and as an assister of those smaller nations that are also final destinations, in the interest of both stability and the benefits that grow from the free movement of peoples, what do each of you see as the American role, both domestically and as assisters to other final destination nations?

Mr. ALLEN. I would like to refer to the migration of populations, and we see this particularly happening in Europe and the CIS, as the consequence of a cultural and ethnic imperialism imposed from the early days of the Bolshevik regime. There was great dispersion of populations was under Lenin and eventually under Stalin. A systematic policy was also maintained under Khrushchev, Bulganin, Brezhnev and others, of dividing and ruling.

German populations, for example, were dispersed to the far reaches of Siberia. Under the constitution, the German constitution of today, all ethnic Germans anyplace in the world have the right to return and to enjoy the benefits that are conferred upon Germans, including the social network that is extensive in Germany. This is causing massive dislocations and major problems in the countries of the West. Yet the legal regime cannot be changed.

Other countries are more restrictive in their policies regarding migration, but this process is going to be with us for a long time, and the United States is not the only place to which these people should be destined. There are natural ethnic and historical, linguistic and cultural homes for these people and they find them basically in Europe. So European nations are the ones that are going to have to adjust to this.

We see a very strong undercurrent of resentment of any kind of migration in France, for example, and the barriers are going up. This encourages what some people call extremist groups to begin to act. In Germany, you find skinheads, neo-Nazis or whatever they may be, perpetrating violence upon the returned populations. This is an extraordinary problem to which we have no suitable answer, and with which we are almost powerless to help. We have no reason to have been deeply concerned with the actual migrations and the historical reasons for such migrations. But I see it as a consequence of more than 70 years of a cultural imperialism that sought to eliminate language, culture, religion, if you will, tribal and ethnic patterns, and failed miserably. It is extraordinarily instructive that when the Soviet Union collapsed, it did so in such a manner as to mask this tremendous revival. The capacity of peoples to maintain their cultural, religious, ethnic, historical identity is extraordinary. And, frankly, I do not see that there is much the United States can do about it. And although we may be the preferred destination, I do not think this is a problem for us to consider a priority.

URGING GREATER U.S. ROLE IN INTERNATIONAL FAMILY PLANNING

Mr. BUNDY. The overall world population problem is one of the very largest that we have, and we are in a position where the United States is not playing the role that it played in the great days of immigration in the nineteenth and early twentieth centuries. I regret that. I think this country is not overcrowded. I wish we were more open. I would rather see Jews from the former Soviet Union coming to the United States than going to Israel. Our national policy goes the other way around. I disagree with it. Jewish policy goes the other way around. I disagree with that.

The largest thing we can do and we have had programs in it and we still do, although they are not as good as they used to be, is to work on the worldwide demographic problem. We have in our aid programs the largest single international family planning enterprise that there is. The Congress has kept it at its historic level by restoring cuts that the administration makes, roughly speaking, every budget season. I wish there were better than a draw there. I think that this is a program developed in earlier administrations of both parties that deserves energetic support, and I am glad to say gets it more in the Congress than it does in the executive branch.

We have very good demographic reports on how it works and it does work. International family planning efforts in the Third World over the last generation have perhaps prevented a half a billion births by birth control, by family planning. They have also prevented unknown numbers of millions of abortions because that

is the alternative of last resort for pregnant women in the developing world as it is in so many other places.

I think the most important thing we can do as a government, and it would have public support, it has had public support, is expand that program. And I very much regret that Mr. Bush has reversed his own strong early support for that when he was ambassador at the United Nations, and that the administration has been a constricting rather than an expanding force in this respect.

Mr. SAWYER. Thank you.

Chairman FASCELL. Mr. Orton.

RESTRUCTURING U.S. FOREIGN ASSISTANCE PROGRAM

Mr. ORTON. Thank you, Mr. Chairman.

I see that our next guest, Mr. Brzezinski, has arrived and I would very much like to hear from him. So I will ask just one question and give you an opportunity to perhaps briefly comment, and then if you have other comments, to submit them in writing.

I am, as many others are, concerned that a number of changes have taken place internationally since we have restructured our foreign aid program and foreign aid budget, and there are a number of calls for a restructuring. I am wondering do you have any specific recommendations as to how we restructure our foreign aid program and policy to ensure that that policy and budget better reflects the economic and trade interests that both of you have commented about?

Mr. BUNDY. I do not envy you that task. It is a very hard one. You know better than I that many of the allocations are historically implanted. The most important both in magnitude and in distorting effect is the enormous allocation to Egypt and to Israel, which is essentially a continuing payment for the peace between those two countries. That peace was valuable, but it should not so permanently and so gravely constrain and distort the overall balance of American foreign assistance. So that is a matter where I would think there has to be cooperation and an effort to think about how to make the changes between the executive and the legislative branches before you can make much progress, and I do not feel that I have the kind of up-to-date knowledge that would allow me to tell you. But there is the largest target, and it is not really fundamentally a helpful way of dealing with either Egypt or Israel, with both of whom we have very deep-seeded and important interests.

Mr. ALLEN. I am taking note of what Mr. Bundy says and agreeing with it, this distortion factor, because of the Egyptian/Israeli allocations. I would nonetheless just refer back to what I said a little earlier.

It is possible to encourage and to provide incentives for private sector programs to supplement. To me, enabling and empowering programs are extremely important as we try to reconstruct or construct a basis for valid economic activity into the free market system in the CIS and elsewhere. It seems to me that whatever we can do to enhance the programs that are already underway—I mentioned Dr. Carol Adelman's efforts at USAID, which I consider

to be an excellent case of using limited resources—and harnessing private sector capabilities.

We have also many ways to utilize and enhance the activities of organizations like the Peace Corps and harness these to the types of objectives that can build societies that are healthy, democratic, free market economies that we cannot afford to support with financial means, targeted for other vital domestic and international priorities.

Mr. ORTON. Thank you.

Chairman FASCELL. Mr. Faleomavaega.

U.S. POLICY OR NUCLEAR TESTING

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. I also would like to add my personal welcome to perhaps two of the finest servants of our country. Certainly they have served with distinction and leadership while establishing tremendous respect throughout the world for our foreign policies.

I would like to inject my questions, like my colleagues before, put in three questions in a row in the interests of time.

Recently, Mr. Yeltsin of Russia and also President Mitterrand of France have both announced an effort to suspend nuclear testing in their countries in an effort to encourage other countries within the nuclear family to do likewise. Yet it seems that there has been no change in our policy, to also suspend our nuclear testing. What really disturbs me, gentlemen, is the height of hypocrisy on our part. As you had indicated earlier, Mr. Bundy, despite the nuclear trigger or the nuclear danger that we have involved ourselves in the past 40 years, we do not seem to pay close attention about the seriousness of this situation.

I say this specifically because I come from the Pacific Region, and as both of you know, the island countries for years have taken their pleadings before the United Nations. We have given a deaf ear to the danger, not only to the atmosphere but also to the underwater environment. France has been doing this for the past 20 years. Both of you know, gentlemen, that several hundred Micronesians were severely exposed to radioactive contamination as a result of U.S. atmospheric and underwater testings. So this all leads to the question of the environment and the problems we have here.

I want to ask both of you what your feelings are. Should we continue the testing program when two of the most powerful nuclear countries in the world have unilaterally called for a moratorium, yet we do not seem to have that same spirit of cooperation?

CABINET LEVEL POST FOR INTERNATIONAL ECONOMIC AFFAIRS

My second question raised also the question of international economics. I think that after the cold war it seems obvious that Bonn, Wall Street and Tokyo are now the three economic centers of the world. In raising the question, I am reminded about Mr. Neuharth of U.S.A. Today who made an observation that the Soviet Union lost the cold war, Germany and Japan were recipients of the success of the cold war, while the United States ended up paying the bills.

I wanted to ask you both, gentlemen, if perhaps this is another basic policy review decision that our country should make and the fact that we are probably the only major country that does not have a cabinet-level agency that deals with international economics and trade of this sort.

U.S. POLICY TOWARD ASIAN PACIFIC REGION

My third question concerns the hysteria of Japan bashing. As both of you know, Japanese investments in our country well exceed over \$80 billion, and it has provided about 900,000 jobs for Americans. One misconception of the American public is that Japan is the largest investor, but the largest foreign investor in our country are the British, well over in excess of \$110 billion. Also, not one person has mentioned publicly the fact that the Japanese investment is a very positive aspect of our economic development, and the fact that it provides these numbers of jobs. Added to this problem that we have here with the Asia Pacific Region is the fact that we have established in excess of a \$300 billion trade relationship with the Asia Pacific Region, yet both inside and outside the belt-way we do not seem to give much credence or real concern to the problems occurring in this part of the world.

And I wanted to ask both of you what are your feelings about the crucial foreign policy that we should develop toward the Asian Pacific Region.

Those are the three questions.

NUCLEAR TEST BAN SHOULD PERMIT TESTS FOR SAFETY

Mr. BUNDY. Let me take the first one because I know something about it, the matter of nuclear testing.

It has, of course, been the historic position of the United States formally expressed in international treaties that we are in favor of a comprehensive test ban and are working toward it. But the position of one administration after another has been that we still have nuclear tests we wish to make.

I think the current position is too broad on that point, that they are trying to protect a general right to make nuclear tests that is not needed. I have an exception, however, which I think is needed. I think that there is a need for testing for better safety of nuclear weapons. I do not think anyone in his right mind can believe that properly secured underground testing for that specific limited purpose is wrong.

So what I would like to see is an American formal position that we are ready for a comprehensive test ban with an internationally inspected and monitored exception for safety tests. I think that that will be understood. There has been a great deal of deep feeling among arms controllers in many countries that a complete test ban was somehow the next crucial step. I do not think it is that important, but it is desirable. We can do it. We have reduced our testing. We do not need testing except on this specific matter of safety, and we can take the lead.

I do not know how to arrange the international economic rearrangement so that we have as good an agency as the Japanese or

the Germans have. I will pass that question to my better informed friend.

And I think, myself, that Americans are pretty well aware of the importance of the Pacific. They do not perhaps understand it in Massachusetts, my home state, as well as they do in your part of the world. But a great many people have been to Hawaii and some further on, and a great many people have relatives who have been in the Navy. I have never felt that the Pacific was an underprivileged area in the United States.

NEED TO STRENGTHEN IAEA INSPECTION PROCEDURES

Mr. ALLEN. I would like to associate myself with Mr. Bundy's remarks about your first question, with the only additional caveat that the real efficiency of the International Atomic Energy Agency's inspection procedures is at question. These need to be strengthened in any regime for the future.

IMPROVING STRUCTURE FOR INTERNATIONAL ECONOMIC POLICYMAKING

Secondly, I would refer to my earlier remarks in that I believe this administration, as Mr. Leach pointed out, has been doing a superb job of coordinating trade in a formal structure, although it is not a structure that sits at the right hand of the President. I argue that we need now such a structure reconstituted and that its life cycle in the Nixon and Ford administrations was all too brief. Such an agency could be of enormous value to the Congress as well in that it would be a resting place for information or coordination point. We have not had since the annual reports of the Council on International Economic Policy, while it existed, a central place for good statistics in an easy to procure form.

I do not support the creation of a Ministry of International Trade and Industry like the Japanese one, for many more reasons than we have time to go into now, but I think it would be a bad idea. We have received particularly good support from this administration. I argue for the strengthening of the existing process and the institutionalization that I just mentioned.

NEED FOR AMERICAN REASSESSMENT OF LONG-RANGE INTERESTS OF JAPAN

As far as Japan bashing is concerned, I can say this with some degree of experience. I came back on Saturday morning having cleared Customs for, I believe, the 135th time in Japan over a span of some 22 or 23 years, having first been sent there by Mr. Nixon during the 1968 campaign. And in my capacity as Chairman of the Asian Studies Center of the Heritage Foundation, in these last 10 years I have paid a lot of attention to the question of Japan bashing.

I believe that you are absolutely right that there is an excess of Japan bashing, but that masks a larger question as to what Japan's ultimate purposes are. And I think we need a searching inquiry soon into the long-range interests of Japan as seen through American eyes. This does not need to be taken up as an adversarial inquiry. But it must be done, because I really feel that we are de-

luding ourselves as to the capacity of Japan to make room for and adjust to American interests over the long term.

Japan has been an ally and an important component of our Asia Pacific policy, which has been extraordinarily successful, particularly in the last 10 years, building upon the foundations that were laid earlier. We have had one success after another in Pacific Basin policy, and for some reason or another—I cannot understand why—neither of the last two administrations has bothered to stop, take account of what has been done and claim credit for it, but it has been a very successful policy indeed.

Mr. FALCOMAVAEGA. Thank you, gentlemen.

Thank you, Mr. Chairman.

Chairman FASCELL. Mr. Allen, Mr. Bundy, thank you very much for joining us and contributing to this dialogue. We appreciate the fact that you have allowed us to draw on your experience and on your vision. So we are very grateful to you, as indeed the American people are for your years of dedicated public service. Thank you very much.

Mr. BUNDY. Thank you, Mr. Chairman.

Mr. ALLEN. Thank you, sir.

Chairman FASCELL. Our next witness this morning is another distinguished American, the Honorable Zbigniew Brzezinski, who is a writer, author, lecturer, world traveler, teacher, professor, adviser to presidents, former National Security Adviser, and stirrer of the pot in many, many ways. We are delighted to have you here with us, Dr. Brzezinski, and we would be happy to hear from you.

STATEMENT OF ZBIGNIEW BRZEZINSKI, FORMER NATIONAL SECURITY ADVISER

Mr. BRZEZINSKI. Well, thank you very much, Mr. Chairman. It is very nice to be with you. It is an honor to be with you. My initial comments are informal. They are not based on a written text. I find that I generally think better on my feet than with a pen in hand, but I do have some thoughts that I would like to share with you briefly.

First of all, I want to compliment you and your colleagues on these hearings. We do need to take a hard look at what ought to be the grand strategy of the United States. It is now a commonplace truism to say that the cold war is over, and that the United States at least for the moment is the only superpower on the world scene.

But what flows from that? Let me suggest two strategic prongs and a procedural strategic suggestion.

The first is that the era of American preponderance as the sole global power is not going to last indefinitely. It is a conjunction of very specific circumstances. Today the United States is the only power in the world which simultaneously has global economic power, global cultural impact, global political impact, and this is a very unique circumstance. No other country can match that, but at some point this phase of preponderance will begin to come to an end.

Therefore, the question arises what do we do during that phase. And I would suggest that in the wake of the cold war the first central strategic objective of the United States must be to transform

gradually American preponderance into some form of partnership, partnership with those who can share with us the responsibilities of power, that can undertake with us the tasks of shaping a more orderly international community. And that in turn means specifically Europe and Japan, because these are the countries with the economic power, the political organization, the potential global scope that makes them viable partners.

And here a very concrete and immediate issue arises for our policy. If we do want to create such a partnership and if the partners are to be Europe and Japan, particularly with regard to Europe we face some very immediate and difficult strategic choices.

Do we want a Europe that is politically and militarily more united in addition to its economic unity, or would we prefer to see the political and military unity of Europe deferred? That issue can be summarized by the choice of deeper versus wider regarding which debate is being joined in Europe.

Do we have a position on this? Have we made a clear choice? We use the rhetoric of European unity quite often and we seem to be in favor of European unity rhetorically. But, in fact, do we really want political unity in Europe? Do we really want Europe to be militarily united?

I sense a great deal of ambivalence in our posture, and some inclination quietly not to favor a deeper Europe. Therefore perhaps to favor a wider Europe. My own view is that a deeper Europe is a necessary precondition for a wider Europe, that the wider Europe first makes unlikely a deeper Europe later. But a deeper Europe first can be the point of departure for a wider Europe, and a deeper Europe can become a partner.

Just two instances reinforce me in that view. A deeper Europe provides a firm anchorage and meaningful frames for Germany, and that is important for the future stability of Europe.

Secondly, a deeper Europe can deal with problems such as those currently posed by Yugoslavia. It is the absence of real Europe that prevents a meaningful response to the dilemmas posed by Yugoslavia. And I think these two examples illustrate why in the longer range from a strategic point of view a genuine Europe is in our interest and that will permit in time the devolution of our preponderance into partnership.

The second major strategic objective is the one that both of my colleagues, my distinguished predecessor and my distinguished successor talked about, and that is aid to the former Soviet Union. I think it is strategically essential that there be a successful post-Communist transition. But the question arises what does this mean in practice. And here I think some distinctions are important.

First, we do have to concentrate on the former Soviet Union because of the scale of the problem, the residual arms that are located there, the costs of failure. But we should be conscious of the fact that if we are to deal successfully with the problems of the former Soviet Union we have to be responsive not only to the economic, but to the political dimensions of that problem. We sometimes talk as if we were ourselves accepting a form of Marxism, that economics, and particularly money, determines everything. Money will not determine by itself the future course of the former Soviet Union. It

is a necessary point of departure but it is not a sufficient solution to the problem.

The fact of the matter is that the former Soviet Union faces an economic crisis, but it also faces multiple political challenges and we have to be responsive to these political dimensions if we want to create a stable situation.

The most important aspect here is that the former Soviet Union is a former empire, and if we want to create stability in the former Soviet Union, we have to be engaged in nation building, and we have to be engaged in creating a stable post-imperial reality, which means a sense of balance and stability in the relations between Russia and the new republics, particularly Ukraine, which is the most important new player on the scene.

In my judgment, we have not paid sufficient attention to these political aspects of the problem, and without effective nation building, without the creation of a balanced new pluralistic post-imperial reality there is the real risk that purely economic responses may not achieve the objectives that we would all wish to see come to pass.

And the second aspect of this problem of aiding the post-Communist transition is even more urgent. We need a successful model. We need a relevant concept. We need a pertinent example of an effective transition to post-communism. And that is more likely to happen in Central Europe in the foreseeable future than in the former Soviet Union.

I fear that we are now beginning to overlook Central Europe in our preoccupation with the former Soviet Union. I approve and endorse the Freedom Support Act for the former Soviet Union, but I wish to remind you, the Congress, of the importance of not letting Hungary, Poland, and Czechoslovakia fail, because if they fail we will not have a concept of transition, we will not have a model of transition, we will not have a pertinent example of a successful transition. And we are beginning to slight these countries.

I understand that a bill is being introduced to provide some economic stimulus through a housing loan guarantee program for Poland as an amendment to the Freedom Support Act. I would urge you to take a hard look at that proposition because it seems to me that with Russia focusing so carefully on what is happening in Poland, it is very important that the present economic political change in Poland not falter.

My final point, Mr. Chairman, is a procedural one. To have a strategy, one has to plan a strategy. One has to have strategic planning. We have nowhere in the U.S. Government a place where systematic, comprehensive, geostrategic thinking is undertaken. It is segmented. The Defense Department does very good work in terms of long-range security planning. The State Department has excellent people on the Policy Planning Council, supporting the Secretary of State. The Assistant for National Security Affairs has an able staff coordinating the work of the different departments in international areas for the President.

But there is no single organ in the U.S. Government which undertakes comprehensive, political planning of a strategic type, which would try to link an appreciation for historical trends with a clear-headed definition of our national interest, with an apprecia-

tion of regional dynamics and define on that basis something which truly does amount to a grand strategy.

A grand strategy emerged for the United States in the late 1940's out of the interaction on a bipartisan basis of some very clear-headed people who were deeply involved in World War II and in post-World War II reconstruction. We need some such organ, and in my judgment the place to locate it would be on the NSC where the coordination can take place, but perhaps with some informal participation of outsiders on a bipartisan basis, perhaps with some informal mechanisms for consultation with leading congressional thinkers on international affairs, because we do not have such an instrument, and the segmentation of our thinking about foreign affairs I think is occasionally reflected in a certain fragmentation of strategic coherence.

Thank you, Mr. Chairman.

BIPARTISAN FOREIGN POLICY REQUIRES CONSULTATION

Chairman FASCELL. Dr. Brzezinski, thank you very much for being so specific with your recommendations.

Your last statement has a very familiar ring to it. I have been actively involved in the struggle around here for greater and closer consultation with the President of the United States on international matters. I've endorsed greater cooperation between the executive branch and the leadership of the Congress and the relevant committees such as Foreign Affairs, Appropriations, Armed Services, through any kind of mechanism the President chooses. That has worked when the President has chosen to use it, and of course we have been out of the loop when he has chosen not to involve us.

I would like to see it used more frequently, but then again that is up to the President. If he does not stretch out both arms, there is no such thing as a bipartisan policy. It is impossible, no matter how hard you may struggle in the House and the Senate to accomplish that.

The other thing that struck me was this. I thought the National Security Council was supposed to be doing the very things that you are talking about for the President. And yet I gather from what you are telling us that, one, you need a closer relationship with the Congress on a bipartisan basis; and, secondly, it might be useful to set up a new subunit, I guess, to deal with long-range strategic planning, perhaps bringing in some outsider to contribute to the process.

I have no trouble with that. I think that would be great myself. But again, since NSC is basically a management tool, although authorized legislatively, it is up to the President to make that decision.

ENHANCING NSC'S ROLE IN STRATEGIC PLANNING

Mr. BRZEZINSKI. Well, that is absolutely true it is up to the President to make that decision. But certainly hearings such as these can contribute to a wider understanding of the need and perhaps of some remedies in meeting that need.

There was a time when the NSC used to have a planning board. That was in the days of Mr. Eisenhower. And at some stages of its

life during the 8 years of the Eisenhower administration it did actually some useful work in planning and developing what might be called strategies. That particular organ then lapsed in the very early 1960's, and it has not been recreated.

The present staff of the NSC is deeply engaged in day-to-day coordination of inputs from State, CIA, Defense, and I do not believe that in its present configuration it could undertake a strategic planning task. It would require, I think, some reorganization and as you have said, a very deliberate decision on the part of the President to institutionalize such a mechanism, and then to give it wider scope by perhaps drawing into it on some basis some outsiders, preferably of a bipartisan character, and also to institute some informal mechanisms of consultation with Congress.

We are all talking about the need for a strategy, but a strategy does not come simply like manna from heaven. It has to be developed on the basis of a systematic sustained effort, and I think a mechanism of this sort would help us all.

Chairman FASCELL. Well, I agree with that.

Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman.

It is good having Dr. Brzezinski with us once again. We welcome you.

Dr. Brzezinski, you indicated there should be better coordination between the agencies of our government with regard to strategic planning.

Are you indicating that we do not have that now? That comes as a surprise to me. Could you clarify that?

Chairman FASCELL. The word is shock.

Mr. GILMAN. Shock.

Mr. BRZEZINSKI. Well, as a practical matter where can it occur currently?

The State Department cannot undertake comprehensive strategic planning for the United States.

Mr. GILMAN. Why is that?

Mr. BRZEZINSKI. Because other departments, and particularly the Defense Department, have good grounds for feeling that the State Department perspective on this subject is likely to emphasize some dimensions of foreign policy over other dimensions of foreign policy. For example, diplomacy over defense.

Mr. BRZEZINSKI. The Defense Department cannot undertake strategic overseas planning because it is bureaucratically disposed to emphasize more the security aspects, the military defense aspects. So it, too, cannot undertake it. And therefore, the only organ which could undertake it would be some coordinating mechanism located in the Office of the President. And that logically points to the NSC.

And therefore, I am not suggesting that a separate planning mechanism, strategic planning mechanism, be created. But rather that the existing structure of the NSC be utilized to develop a systematic coordination of planning inputs from the different departments for the purpose of generating a comprehensive strategic perspective for the U.S. administration.

Mr. GILMAN. Have we not been doing that in the past, Dr. Brzezinski?

Mr. BRZEZINSKI. Not really. We have tended occasionally to develop the so-called annual foreign policy statement, which increasingly became a rhetorical public relations exercise. And as a practical matter today, I do not think that there is in effect either a mechanism or a process for comprehensive strategic planning.

Mr. GILMAN. Well, I agree that we should have that kind of a body. I would hope that we do not neglect that kind of approach to planning strategy. I think, Mr. Chairman, that we ought to be taking a look at that lack of combined planning.

U.S. POLICY ON INVOLVEMENT IN ETHNIC CONFLICTS

I had posed a question to the prior panel, Dr. Brzezinski, about the fact that Eastern Europe is, in a sense, disintegrating. We had talked to the Secretary-General just yesterday about where should we draw the line on when we should get involved with these clashes.

Should we have a general policy toward the issue of national self-determination, or as the prior panel suggested, should we address each one of them individually?

Mr. BRZEZINSKI. Well, it is very difficult to formulate any hard and fast rules. But I would say that as a general principle one should, I think, take the position that the prerequisite for independent statehood is some capacity for a sustained and viable existence. And therefore, some indicators of economic capability and sufficient population size are the prerequisites for making a judgment whether some sort of separatism is in fact justified under the principle of self-determination.

I do not believe that one can be very mechanical about it. And I suppose that one additional rule of thumb as a matter of just practicality is whether it is more costly to retain control over some ethnic community or more costly to let it go. Which in turn, to put it very crudely, means can they succeed in making sufficient trouble to warrant independence.

Mr. GILMAN. So then we have to examine each one individually?

Mr. BRZEZINSKI. And ultimately then, we have to look at each case on a case by case basis. However, I would say this as a general proposition. We have to face the fact that the collapse of the Soviet Union has created an altogether new geopolitical situation in that an empire has simultaneously collapsed. And we are now facing the task of creating stability on the ruins of an empire.

And I think that it is in our interests that Russia become a successful democratic increasingly European post-imperial state. And we have to give Russia a stake in participation in Europe. But it is also in our interest that the non-Russian countries become stable and enduring, because that is the best guarantee against the reappearance of an empire, which then develops aggressive aspirations.

RUSSIAN-UKRAINIAN RELATIONS

Mr. GILMAN. Do you see the possibility of hostilities breaking out between the Republic of Russia, for example, and the Ukraine, or even over the Crimea, or some of the other aspects of their differences?

Mr. BRZEZINSKI. Well, there are certainly some disturbing analogies in the conflict between Russia and the Ukraine over the Crimea, and the conflict between Serbia and Croatia over the region called Krajina—K-R-A-J-I-N-A—which sounds like Crimea.

I would hope that it does not come to pass. And so far, both the Russian leadership at the very top, and particularly Mr. Yeltsin himself, and the Ukraine leadership, have shown restraint and a sense of balance.

I would also hope that we would encourage both parties to exercise maximum restraint. I think that an attempt to separate Crimea from the Ukraine is going to unleash very intense emotions in the Ukraine and possibly precipitate violent flashes in Crimea itself, then with deleterious consequences for the Ukraine and the Russian relationship.

I think that we ought to discourage efforts to promote such separatism. And it is not in Russia's interest to do it. Because Russia itself has a number of autonomous republics, which could then be encouraged to emulate the example of Crimea.

SUPPORT FOR FREEDOM SUPPORT ACT

Mr. GILMAN. What are your thoughts about the extensiveness of the legislative proposal to aid the newly independent republics? Should we be pouring in this kind of funding, should we limit it, should it be more? What your thoughts about that, Dr. Brzezinski?

Mr. BRZEZINSKI. I think the scope of the initial financial commitment is reasonable, and it is responsive to the more immediate challenges, particularly to the need to stabilize the Russian currency, and to make it more possible for Russia to become a viable partner in international trade, and a more attractive focus for foreign investment.

I think that in the longer run it is very important for us to deal increasingly on a bilateral basis with the various republics for the reasons that I have mentioned. It is in our interest to consolidate the new reality of pluralism in the former empire. I think that this is good not only for us, but it is also ultimately good for the Russians. Because it stabilizes a new reality, which makes it possible for Russia to become a post-imperial country, the way that Britain became a post-imperial country, and the way that France became a post-imperial country. And for European stability, it is very important that this transition in Russia be effected stably and peacefully.

Mr. GILMAN. Some of the experts are cautioning us not to jump headlong into providing the republics with too much of our sophisticated technology. For example, one of your colleagues, Dr. Kissinger, has said go slowly.

What are your thoughts about that?

Mr. BRZEZINSKI. Well, I do not have a clear idea of what you have in mind when you are talking about technology. I am in favor of assisting the new republics in their attempts to create viable economies. I am in favor of assisting, for example, the Baltic Republics and Ukraine in their efforts to create their own currency. Because their own currency will give them the sense of financial confidence and independence, which is important to the consolidation of their statehood.

Moreover, if we can assist them in making their currencies convertible, they can become more actively and sooner engaged in international trade, and particularly in trade with Europe, thereby facilitating in the long run their association with Europe.

NEED TO SUPPORT NONFINANCIAL ASPECTS OF ASSISTANCE PROGRAM

These are the kinds of things where economics and politics intersect. Before you came in, I suggested to the committee that we should not reduce our view of aid to the former Soviet Union just to the financial dimension, that economics are not sufficient, that we should not become vulgar Marxists ourselves, that the political aspects and cultural aspects of the problem are very important. And we have to give these new nations a sense of confidence that the reality that is now emerging will endure, and that it is our objective to facilitate the modernization, and a more stable and more cooperative relationship between them and Russia, but as independent parties.

Mr. GILMAN. Thank you very much.

Thank you, Mr. Chairman.

Chairman FASCELL. Mr. Solarz.

PROVISION OF HOUSING LOAN GUARANTEES FOR POLAND

Mr. SOLARZ. Thank you very much, Mr. Chairman.

I am delighted that my former professor, Dr. Brzezinski, could be here. In the past it was the other way around, but now I am in the position to give the lectures. But this time, I want to revert to my previous role as a student, and hear what he has to say.

Chairman FASCELL. Why do you not give him a grade first.

Mr. SOLARZ. As a professor, or as a NSC director? As a professor, I give him an A-plus. I have to say that in all of my years of college and graduate school, that the course that I took with him on international communism was probably the most intellectually exciting course that I ever took. I do have to say, however, that three decades ago at Columbia when I took the course, I do not recall the professor suggesting either that 30 years later that I would be in Congress, or that the Soviet Union would not exist.

Chairman FASCELL. How did you get to Columbia at the age of 7?

Mr. GILMAN. Would the gentleman yield?

Mr. SOLARZ. In fact, I recall that he wrote a book on totalitarianism, in which he suggested that it was sort of an immutable fact of life. That may have been the biggest error in all of his predictions.

Mr. GILMAN. Would the gentleman yield?

Mr. SOLARZ. Yes.

Mr. GILMAN. You also have another student back here who gives you an A-plus. Russ Wilson was one of your students. So you are well represented on our committee. You also gave Mr. Wilson an A-minus.

Mr. SOLARZ. Now as a NSC director, I only give him an A, because, while we made progress toward winning the cold war, it was not won on his watch.

Chairman FASCELL. How does it feel to get even, Steve?

Mr. SOLARZ. Well, he did not give me an A-plus. I think that I got an A-minus, as a matter of fact. But he subsequently told me that was very rare.

In any case, Dr. Brzezinski, I understand that in your opening remarks you spoke in favor of including in the legislation to help Russia, the Ukraine, and the other former Republics of the Soviet Union, a provision to provide up to \$1 billion in housing guarantees for Poland. I was pleased to hear this, because I share your view that that is very important.

How would you respond to the argument, which will inevitably be made if this amendment is actually offered, that if we include this help for Poland, other people may be inclined to offer amendments for other countries. In that scenario, the whole bill could become a Christmas tree and fall of its own weight.

I heard a report, I do not know if it is true, that yesterday Senator Helms was considering including the loan guarantees for Israel in this bill in the Senate Foreign Relations Committee. But there seems to be a feeling on the part of the leadership that this will result in a presidential veto, so the whole bill would be doomed.

First, how would you respond to that argument that this opens it up to other amendments. Second, how would you deal with the argument that if, in fact, we are going to do something for Poland, what about the other countries of Eastern Europe which are also important. How can you limit it just to Poland?

HOUSING PROGRAMS BRING ECONOMIC STIMULUS AND LABOR MOBILITY

Mr. BRZEZINSKI. Well, thank you very much, Mr. Congressman, first of all, for your kind comments. I remember giving you an A-minus. A was for promise, A-minus was for scholarship.

Insofar as totalitarianism is concerned, I do remember saying——

Chairman FASCELL. It must have been a searing memory.

Mr. BRZEZINSKI [continuing]. That it would not evolve, that it would not converge, that it would collapse. So I do not feel refuted by history.

Insofar as the critical question that you raise is concerned, I would answer it this way. Russia, in terms of its prospects, is undergoing a process of change with a reform program very much modeled specifically on the big bang approach that the Poles have undertaken. And whether one likes it or not, Poland has become a laboratory for an experiment in post-Communist transition. That transition in Poland is at least 10 years ahead of Russia. If it succeeds, we will have something very viable and very relevant. If it fails, it will have a demoralizing impact as well as be a negative lesson.

So I see the two halves quite closely linked. And the attractiveness of the proposal that has been submitted in the bill to which you make reference is that it copes with two very central issues of economic change, which have not been sufficiently addressed in my view.

The first is the need for economic stimulus during the period of reform. Because there tends to be a sharp drop in production during the difficult transition, particularly in its initial phases.

And the attraction of a housing program is that it can act as a labor intensive economic stimulus.

And secondly, it creates the basis for labor mobility in a society in which labor mobility is precluded by the absence of housing. People in one town out of jobs, because that one town's single factory is closed down, are incapable literally of moving 50 miles away, because they cannot move to new jobs because of the absence of housing.

So the proposal deals with a real economic dilemma, with a real social dilemma, which Russia is going to be facing with a vengeance, as the state's heavy industrial sector begins to close down.

And thus, the successful continued movement of the Polish experiment is directly relevant. So therefore, I do not consider it to be a Christmas tree. I do not consider it just to be an add-on. I consider it to be an initiative, which is absolutely central in ensuring that what we are trying to do for the former Soviet Union, notably for Russia, does succeed.

OBSTACLES TO PASSAGE OF EXPANDED HOUSING LOAN GUARANTEE PROGRAM

Mr. SOLARZ. As the author of this initiative, of course, I fully share your views.

Mr. BRZEZINSKI. I have heard rumors that you might be the author of that initiative.

Mr. SOLARZ. I hope that your words have been taken to heart—

Chairman FASCELL. Do not look at me.

Mr. SOLARZ [continuing]. By the very distinguished chairman of the committee.

Chairman FASCELL. Well, I have a solution to the problem, Steve, and that is easy. Just lift the cap, and do not get specific.

Mr. SOLARZ. Lift the cap on the housing guarantee program? That might be one way to approach it. But I suspect that without a strong signal from the Congress that we want this done for Poland, that the administration is not likely to move on it. And I do share the view of Dr. Brzezinski that the success of the reform experiment in Russia will be significantly influenced by the outcome of the reform experiment in Poland.

Chairman FASCELL. Well, I do not think that there is any question about that. But you face a practical political problem. Any proposal for housing guarantees for Israel, for Poland, for Hungary, or anywhere else will be amended with a multibillion dollar program for the United States of America.

Mr. SOLARZ. I think that you are right. That will be a problem, Mr. Chairman. But I also think that there are ways of dealing with it. For example, like you, I have supported the loan guarantees for Israel. We know, however, that the President has made it clear that he would veto such an initiative, unless there were restrictions on Israel's ability to continue its settlement activities on the West Bank and Gaza.

So my answer to anyone who raises this question would be that I am confident that we can get assurances from Mr. Walesa that Poland will not build any settlements on the West Bank, which should alleviate any threat of a presidential veto.

It is doubtful we can get Mr. Shamir to agree not to build settlements on the West Bank. If we can get the President to withdraw his threat to veto it, maybe we can move forward on that. If not, I think that we then have to be practical and realize that it cannot be passed over the President's veto.

Let me say that I do hope that we can at the very least, give this some very serious thought as we move to the markup of this bill, even though, as Dr. Brzezinski said, it is for Poland, rather than for a member of the Commonwealth of Independent States. Insofar as I know, nobody in Poland has any interest in joining the Commonwealth of Independent States. If they had to join any organization, I think that they would prefer it to be NATO rather than the CIS. Still, what happens in Poland will have a profound implication for what happens in the CIS.

U.S. TROOP LEVELS IN EUROPE AND ASIA

Dr. Brzezinski, while we have you, just a few more questions. Maybe I can mention them, and then you can answer them seriatim.

First, where do you stand on the appropriate American troop levels in Europe and Asia now that the cold war has ended? Should they be withdrawn entirely. If not, how much of a residual force would you like to see?

PERMANENT U.N. PEACEKEEPING FORCE

Secondly, what is your view with respect to the proposal for the establishment of a permanent peacekeeping force under the auspices of the United Nations, for which there is some provision in the charter, but which, as you know, has never been implemented?

LEVEL FOR MINIMUM NUCLEAR DETERRENCE

Thirdly, what is your view about the theory of minimum nuclear deterrence? What do you think is the lowest level that we can prudently afford to go to in terms of the size of our strategic nuclear forces, assuming, of course, that the other members of the nuclear club are prepared to agree to comparable levels?

HUMAN RIGHTS AS CENTERPIECE OF U.S. FOREIGN POLICY

Finally, how would you respond to the argument some have advanced that now that the containment of communism or Soviet expansionism is no longer the major priority of our foreign policy, we should make the promotion of democracy and human rights the centerpiece of our foreign policy, in as much as a more democratic world is likely to be a world more congenial to American interests and values?

ESTABLISHING FIXED COMMITMENT ON TROOP LEVELS IN EUROPE AND ASIA

Mr. BRZEZINSKI. Well, let me deal with these very quickly, Mr. Chairman.

Troop levels in Europe and Asia, point number one, I think it is very important that whatever troop levels are fixed that they be sustained. In other words, confidence on the part of all is more im-

portant than any particular number. My own ballpark figure would be somewhere no less than, at a minimum 75,000, between 75,000 and 100,000 toward the second half of this decade; that with a fixed commitment would be sufficient in Europe because we no longer need to plan for a major conventional battle. We need to sustain the nuclear deterrent, and we need to sustain a credible commitment and capacity to redeploy.

In the Far East, that depends very much on what happens in regards to Korean unification. I would certainly not favor the removal of American forces from Korea and the present level is probably the minimum at which it can be sustained if it is to have any combat effectiveness. But I think we have to anticipate the possibility that with movement toward Korean unification the whole issue may be reopened and that is bound to have an impact on American deployments in Japan.

SUPPORT FOR PERMANENT U.N. PEACEKEEPING FORCE

With respect to the second issue, the permanent U.N. peacekeeping force, I am in favor of it. I think we have a unique opportunity today with the high probability that there would be no vetoes in the Security Council that would become a major obstacle to move toward the creation of some such standby force as the beginning of genuinely institutionalized international cooperation.

Chairman FASCELL. Let me just say here that the Secretary General, in a meeting with some of us yesterday in response to a similar question, indicated that his preference would be for an arrangement in which a number of countries earmarked forces from their existing military establishments for availability on short notice, rather than establishing a standing force which he felt would result in the creation of a new U.N. bureaucracy and gets into more problems.

Mr. BRZEZINSKI. Well, earmarking is really a functional equivalent of the standby force, and from a practical point of view that may be in fact more desirable, and also from a financial point of view more workable. But I think the principle itself is an important one and it is time to take advantage of it.

NEED TO MAINTAIN PARITY IN SETTING LEVEL OF MINIMUM NUCLEAR DETERRENCE

Minimum nuclear deterrence, the third question, that depends very much, first of all, on Soviet levels as well, and I think it is very important that parity be maintained here and that therefore any movement toward drastically declined numbers be reciprocal.

But certainly over the years consideration has been given and some very serious people have talked about the possibility of no more than 1,200 delivery systems, etcetera, as being a perfectly adequate number, which in any case would be a very significant decrease from the existing numbers.

PROMOTION OF DEMOCRACY IN U.S. FOREIGN POLICY

And, fourthly, on the promotion of democracy as a general principle, yes, of course, because I think we have reached a stage in the history of mankind in which this is a viable and meaningful possi-

bility. But as a practical matter we have to be prepared in many cases to have a working and even sometimes cooperative relationship with regimes which are nondemocratic.

So while we should promote this objective, we should not absolutize it to the degree that we are incapable of sustaining some relationship with nondemocratic regimes when there is some overriding national or regional interest justifying it.

Chairman FASCELL. Mr. Faleomavaega.

JAPAN REMAINS MOST IMPORTANT ASIAN PARTNER

Mr. FALEOMAVAEGA. Mr. Chairman, thank you.

It is a very difficult task for me to have to follow the line of questioning that the distinguished gentleman from New York has made. Because of his leadership and chairmanship of the Asian and Pacific Subcommittee on Foreign Affairs, I must commend him personally for the outstanding leadership that he has developed over the years in formulating our foreign policies toward the Asia Pacific Region.

And I certainly would be rude if I had left and not extended my personal welcome also to Dr. Brzezinski, who I have had the privilege of meeting with at the Center for Strategic and International Studies, along with our mutual friend, Dr. Amos Jordan, who is now working in the Pacific region.

Mr. Chairman, I have always said that anyone who is able to pronounce Dr. Zbigniew Brzezinski's name should also be able to pronounce my name in the proper context and form. I am very, very appreciative of the opportunity that I have of extending this welcome to Dr. Brzezinski.

I believe Dr. Brzezinski may have heard my three questions raised earlier with Dr. Allen and Mr. Bundy. More specifically, however, I just wanted to focus on the comment that you made earlier in saying that perhaps the most important focus in our foreign policies at this time should be to establish partnerships with Europe and Japan.

And I wonder, Dr. Brzezinski, if you meant specifically just Japan or did you have in mind also to include China as well as the rest of the Asia Pacific Region?

Mr. BRZEZINSKI. Yes, I did mean Japan rather than the whole region, because in Europe we are dealing, in fact, with a new reality of something called Europe being in the process of emerging, and that reality is a good thing, it is a positive development and in my judgment we ought to not only relate ourselves to it, but to encourage it for reasons that I mentioned.

In the case of the Far East, we are dealing with a paradox. The region economically is developing in a cooperative and innovative fashion. But politically it is surprisingly traditional. That is to say there are separate political powers and in fact in the years to come they may increasingly pursue their own separate national interests, and therefore we cannot speak of the region in any way comparable to that of Europe.

In that region Japan is a democracy. It shares by and large our interests in global stability. It is a participant in a number of im-

portant joint undertakings with us, and therefore it is the logical partner for us.

Mr. FALCOMA. My concern—

Mr. BRZEZINSKI. In addition to it, Korea might become increasingly also a partner. Some of the successful democracies in the region may be partners.

China presents a very specific challenge and a problem. We do want to have a stable relationship with China, and a cooperative one if possible. But China is, first of all, not a democracy. Secondly, it may have aspirations which in some respects collide with some of ours. For example, weapons exports. And I think we have to anticipate some period of internal political turmoil in China probably within the next 3 to 5 years when the current leadership fades from the scene. So our relationship with China is going to be quite different for quite some time to come from the relationship that we can have and do have with Japan.

CONCERN OVER JAPAN IN ASIAN PACIFIC REGION

Mr. FALCOMA. The basis for my concern is the fact that there is just as much apprehension and concern about Japan's possible return to militarism as with her rise in economic terms. Many compare Japan and Germany with their similar economic successes. The fact that you have isolated Japan also causes a lot of consternation and concern by many of the countries in the Pacific and Asia Pacific Region. Giving Japan this special attention may be excessive when there are just as many serious problems—economic, social, political—with other countries in Europe. That was the basis of my concern when you singled out Japan. There are just as many problems with other countries, such as China, Pakistan, India, and several others.

ENVIRONMENTAL IMPACT OF NUCLEAR TESTING

Another question I raised earlier with Mr. Bundy and Mr. Allen pertains to the situation with France and Russia having announced unilaterally a suspension of their nuclear testing programs. The fact that our administration continues our nuclear testing program, while serious concerns are raised is the height of hypocrisy on our part.

Of course, I agree with nuclear testing for the purpose of providing greater safety. However, France has been conducting tests underwater and atmospherically, and the tremendous harm and danger to the marine environment has been the concern of the island nations of the Pacific, with New Zealand and Australia appealing to the United Nations. Throughout all these years we have been absolutely silent and mum about it as if we are not also a Pacific country expressing similar concern about the fact that these detonations definitely have an impact on the marine environment.

I am not saying that France should be deprived of its privilege of doing this for its strategic and military interests. My concern, however, is with the cause and the effect on the environment, and I just wanted to ask your comment on that.

NO ASIAN FRAMEWORK COMPARABLE TO NATO

Mr. BRZEZINSKI. Let me just add a word on the previous point on Japan because you have raised an important issue.

One of the great differences between Japan and Germany is that Germany today operates in the European context in which it shares increasingly in its economic and political potential with the other European countries as well as militarily it partakes in NATO, and there is not even an independent German military high command.

There is no such larger framework for Japan, and this is one of the reasons why I personally am very skeptical of any effort on our part to encourage the Japanese to assume larger defense responsibilities, to spend more for defense. I am even skeptical of our urging Japan to participate militarily in international peacekeeping forces, because I do not believe it is in our interest to accelerate the process of Japan's assumption of increased military responsibilities. It will happen anyway because Japan in any case will assume a larger military role inevitably, but I fail to see why we should be interested in accelerating that process.

Insofar as nuclear testing is concerned, I heard your question, Congressman, when you put it to the previous participants, and I heard Mr. Bundy's response, and I generally would identify myself with it.

Chairman FASCELL. Dr. Brzezinski, thanks very much for outlining your concepts of the role of the United States in the evolving deeper and wider Europe. It is an interesting concept and I thoroughly agree that we do not have any choice but to be involved.

Mr. Solarz.

JAPANESE-AMERICAN FREE TRADE AGREEMENT

Mr. SOLARZ. Thank you, Mr. Chairman. Before offering one or two concluding observations here, I have just one or two other questions I would like to ask my former professor.

What would be your view, Dr. Brzezinski, about a Japanese-American free trade agreement to parallel the Canadian-American and the Mexican-American free trade agreements, but one which would presumably be open to other countries in the Pacific Rim if they chose to participate?

Mr. BRZEZINSKI. I have actually advocated such an arrangement. It seems to me that in the longer run such a mechanism would not only reinforce the trend toward greater economic interdependence between the United States and Japan, but it would tend to create a political context for it. And I believe that in order to provide for the kind of context which exists for Germany the only alternative really is closer American-Japanese association.

HISTORICAL EXAMPLES OF DANGERS OF ISOLATIONISM

Mr. SOLARZ. Once again, this either proves that great minds think alike, or that as a professor, instead of instructing your students, you cloned them in your own image.

One other question. A lot of people have talked about the analogy between the world situation that confronted us after the end of the Second World War, when we were the preeminent military and

economic power, and the situation that we confront today. Of course, at the end of the Second World War we faced a serious threat from the Soviet Union, which clearly we do not face from any other nation today.

I wonder how you would feel about the argument that a far more relevant analogy, in terms of trying to judge the proper role for the United States and the world, is with the situation that confronted us at the end of World War I. Like today, it looked then as if there was no immediate military threat on the horizon. The country decided that its safety and security was to be found in a retreat from world affairs which obviously turned out to be a tragic misreading both of history and of reality.

In fact, aren't we in a somewhat similar situation today? We ought to benefit from the lessons of that sad experience when we refused to join the League of Nations. We pulled back all our forces. We said a plague on everyone else's house, we would be merry here in the United States. We failed to realize that even at a moment when we are the preeminent power, one simply cannot anticipate where potential challenges will come from.

In 1919, Japan was barely on anybody's mind. Germany was on its knees. I do not think anybody could have predicted two decades later that imperial Japan and Nazi Germany would be posing the kind of threat they did. I suspect it is entirely possible we may face threats two decades from now that nobody can fully anticipate today.

Therefore, how would you feel about this argument that there is an interesting analogy here and we ought to draw different conclusions than the ones we drew at the end of what was then known as the Great War?

Mr. BRZEZINSKI. Well, I would agree with you about the conclusions, the implications. I think there is certainly an analogy in that respect.

I would somewhat disagree about the analogy in terms of the actual power situation because the end of World War I involved, in effect, a situation in which Great Britain was still the largest maritime power in the world, and we in a sense drew safety to some degree from that. And France, wrongly it turned out subsequently, was seen as the largest land power in the world with a successful army, with a colonial empire to back it.

So in a sense from the standpoint of global distribution of power we could take refuge in the oceans as a source of distance, but also in the fact that the two seemingly paramount military powers in the world were friends.

Today there is nothing comparable to Britain or France. We are the only power in the world that has military power, economic power, cultural power and therefore political power, and there is nothing comparable.

But this will not endure, and the question therefore for us is how do we translate this into something more meaningful and enduring, and here I completely agree with the implications that you draw. Isolationism is no longer a viable choice. In fact, I do not think it really is an alternative. One could still talk about America first in the 1940's. But today communications, economics already create objectively a condition of involvement and interdependence.

Mr. SOLARZ. In fact, I suppose you could say that isolationism is even less attractive as a model for American foreign policy today than it was before December 7, 1941.

Mr. BRZEZINSKI. Yes. I think the real debate today, in my judgment, is not going to be between internationalists and isolationists, but between what might be called internationalists and uninationalists, people who really do believe America first and think that America can act accordingly. And my argument would be to them, yes, we can for awhile, but in the meantime if we act like this we will fail to use our preponderance to create something enduring and constructive, and this is why I argue that the logical sequence ought to be from preponderance to partnership, and not from preponderance to unilateralism.

Mr. SOLARZ. Mr. Chairman, I want to thank you once again for holding these hearings. Not all of our colleagues have been able to participate in them, but those who have have benefited enormously. I think they are extremely timely.

I also want to thank Dr. Brzezinski, who has once again performed a profound service to the country by sharing his views with us.

I happen to find myself in agreement with him most of the time. Not everyone does. But I think all would agree that even when they do not agree with what he has to say, that his views are invariably informed and intelligent, and present a perspective which simply has to be taken into consideration when we decide how to promote our interests abroad. I am extremely grateful to him, not only as a former professor and as a friend, but as someone whose contributions to this country I greatly admire.

Chairman FASCELL. Thank you very much, Dr. Brzezinski. Let me express my appreciation for myself and the committee for your participation, and especially for the clarity of your suggestions and recommendations.

The meeting is adjourned.

[Whereupon, at 12:30 p.m., the committee was adjourned.]

U.S. POST-COLD WAR FOREIGN POLICY

THURSDAY, MAY 14, 1992

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 10:39 a.m., in room 2172, Rayburn House Office Building, Hon. Dante B. Fascell (chairman of the committee) presiding.

Chairman FASCELL. We are delighted this morning to have a distinguished American appear before the Foreign Affairs Committee, the former Secretary of Defense under President Carter, the Honorable Harold Brown. He has an impressive record of public service, which we are happy to acknowledge on the record.

I know he will make a valuable contribution to this series of hearings, in which we are literally picking the brains of experts to help guide us on policy considerations as we move into this new era. We are especially grateful to Dr. Harold Brown to take the time to be here and to present his thoughts.

Bill.

Mr. BROOMFIELD. Mr. Chairman, I am happy to join you in welcoming Dr. Brown. He, in my judgment, is one of the outstanding Secretaries of Defense in the period that you and I have served here. And I think he has a great deal to offer to this committee, with recommendations of what our foreign policy should be in future years. I just want to say that we are very happy to have you here, Harold.

Chairman FASCELL. Dr. Brown.

STATEMENT OF HON. HAROLD BROWN, FORMER SECRETARY OF DEFENSE

Mr. BROWN. Thank you very much for those kind words, Mr. Chairman, and Mr. Broomfield.

Mr. Chairman and Members of the committee, I am indeed pleased to appear before you this morning to discuss a foreign policy strategy for the United States in the post-cold war world.

I would like to enter my full statement in the record. I may not read all of it.

Chairman FASCELL. Without objection, so ordered.

Mr. BROWN. But I will go through it and see how it goes.

Certainly, the end of the cold war makes it necessary to reexamine U.S. security interests and to redefine U.S. security policy, which must include not only diplomacy and foreign affairs, military strategy and force structure, but also international economics and trade, and their effects on the domestic economy.

You know, after a successful outcome of more than four decades of a consistent U.S. foreign policy pursued under nine presidents, I must say that I am puzzled by observers whose comments suggest that success is worse than failure, victory than defeat, and peace worse than cold war. I disagree with that. Although I do think that our problems are serious and difficult, they do not begin to approach the dangers and difficulties of the cold war, of World War II, or of the Depression of the 1930's. Thus, though I worry about our present challenges, I am a worrier with a small "w."

What is comprised under the heading of U.S. national security? I would say that it consists of protecting the United States against threats from the outside: to its physical survival; its democratic government as embodied in the Constitution; or to the well-being of the people of the United States.

Now by that definition, issues of trade and market access do have a strong relation to strong security, because they have an impact on the living standards of the American people.

Control of U.S. borders also falls within that definition. Some, but by no means all, environmental threats come from outside of our borders. And in a general sense, our ability to deal with outside threats depends on our economic strength and our domestic cohesion.

But to people who say that whatever worries Americans, whatever threatens them is a national security issue, I would say that though health care costs, slow productivity growth, racial conflict and mass violence in our cities, injustice and street crime are all very high on the list of concerns of the American public, and substantial threats to our well-being, they are not part of the national security by this definition, because fundamentally they are not the result of forces outside of the United States.

It does not mean that we do not have to pay attention to them. In fact, we have to pay most of our attention to them. But let us not confuse definitions.

The post-cold war context in which we now consider national security includes several major changes:

- economic strength has increased weight, both in thinking about security threats and in our ability to meet them;
- the end of the Soviet Union and the receding of the military threat from that direction;
- the emergence of democratic regimes in Central Europe;
- the unification of Germany;
- the integration of Western Europe;
- the intensification of economic competition from our allies in Europe and Japan.

All of these color what must be a new approach to U.S. national security policy.

They argue for shifting some of the military and political burden, and along with it further weight in decisions, to these competitor/allies, and some lesser amount of the burden and the weight of decision to international bodies.

There thus will be a significant change in style in U.S. security policy. At the same time, however, military threats have not disappeared. Specifically, it remains the most important goal of U.S. se-

curity policy to assure that we are not annihilated by nuclear weapons. The United States has at present no acute differences of the sort that could lead to war with Russia or other former Soviet Republics, some of which still retain nuclear weapons, or with China. Nevertheless, Russian strategic nuclear weapons could still destroy the United States. It therefore remains vital to retain a deterrent capability, which should now be feasible at a substantially lower level of nuclear weaponry.

Whether active defense can under these new political circumstances prevent catastrophic destruction from a massive strategic attack is another question, to which my answer continues to be no, I am still not in favor of a massive strategic defense. There is, I believe, a legitimate place for defense against short range ballistic missiles, especially against nonnuclear threats. And an arguable case, which I do not propose to argue here on one side or the other, can be made for a thin ground-based defense against a light accidental, unauthorized or third country nuclear attack.

As to conventional threats, there is no conventional military threat of any magnitude to U.S. territory. But there are geographic areas important to the United States outside of our own boundaries, for example Western Europe. Indeed, for most of this century, the central concern of U.S. foreign policy has been that Europe not be dominated by a hostile power. That is still the case, although the near or midterm risk of that happening is lower still now than it was in the 1980's. And the risk was lower in the 1980's than the 1970's, less in the 1970's than in the 1960's, and so forth.

The reason for our continued placement of this region near the top of our foreign policy agenda is the concentration of productive capability, technical advancement, and human resources, along with the close cultural and political ties that have existed between the United States and Western Europe.

Since World War II Northeast Asia, Japan and by extension Korea, have for similar reasons assumed an analogous but second place in the list of U.S. geographical security interests. To these, it is reasonable to add the Middle East Persian Gulf region, because of its energy resources, its instability, and the special responsibility that the United States has felt toward the State of Israel.

And finally, there is our own backyard, the Caribbean and North America, extending to the Mexico-Guatemala border, or perhaps including Panama and the rest of Central America.

That describes the geographical perimeter. Beyond that, our geographic security interests are derivative. That is to say, to the extent that events outside of the region that I have drawn affect our important interests inside we will be concerned.

Moreover, we think it important that democracy be encouraged everywhere in the world, and that all neighbors regard their neighbors peacefully. I will come back to that later. But in fact beyond the geographical region that I described, the United States would face few threats to its security, almost no matter what happens outside of them.

Chairman FASCELL. Dr. Brown, if I could interrupt you right there, to allow us to go vote.

Mr. BROWN. Sure.

Chairman FASCELL. And we will come right back.

[Recess.]

Chairman FASCELL. Please forgive the interruption. But it really is one of the vicissitudes of this place.

Mr. BROWN. Indeed.

Chairman FASCELL. So please pick up where you left off.

Mr. BROWN. I had said, Mr. Chairman, that the United States would face few threats outside of this geographical area. But there are some exceptions. The proliferation of nuclear weapons and although they are less destructive, chemical or biological weapons to outlaw states, can threaten U.S. interests significantly. There are some global ecological threats. And terrorism and drugs also deserve some attention. They are more difficult to deal with, even though they are less massive as threats, and military strength does not help very much.

One important consequence of the cold war's end is the enhanced role in international security matters of global and regional organizations such as the U.N. and the CSCE, the Conference on Security and Cooperation in Europe.

So long as Russia, and in the U.N. China, have nonadversarial relations with the industrialized democracies, the United States often can and should respond to threats to the peace by working through these collective bodies.

They can serve either as a basis for arriving at joint action led by the United States, or as a mechanism that substitutes other nations, whose interests are most closely involved for the United States, in providing that leadership or in taking action on the scene.

We should recognize that in either case the United States will be giving up some degree of freedom of action. And the result will usually be worth that price. There will also be cases where U.S. interests will be so directly involved and so important that the United States will decide that it has to act unilaterally. The balance, I think, has shifted significantly toward collective action. So we should do things with others if possible and by ourselves where our vital interests are involved, if necessary.

Let me turn now to the question of our relations with Russia. The evolution of as many as possible of the fragments of the former Soviet empire toward democratic institutions and market economies is clearly in the U.S. interest—so much so that even in our own problematic economic condition a substantial financial contribution to those ends is appropriate. I have spent most of my adult life fighting the cold war, and now I have seen a successful outcome. I would hate to see the aftermath degenerate into misery, chaos, and a return to authoritarian rule or worse in Central Europe and the former Soviet Union.

Such an outcome in Russia and the other European successor states of the Soviet Union would pose special dangers to our European allies and ourselves as well. Tens of thousands of nuclear weapons would be the worst, but not the only threat. Therefore humanitarian aid beyond agricultural credits, which are rather difficult to characterize as aid, should be provided without conditions other than those needed to assure that it gets to the needy. And there are other things that we can do. Technology, the structure

and training of a market economy, and Western investment are all contributions that we can foster.

Going one step further, government credits for currency stabilization, provision of debt relief, and so forth ought to be done only on a joint basis with other industrialized democracies and the IFI's, and only under conditions that assure that this aid does not disappear into an economic black hole.

I have now described one approach to U.S. security, the approach that I agree with. There is another one. It has appeared with some political strength from both ends of the political spectrum recently, although its avowed candidates have not done very well so far. It urges isolationism, unilateralism, and protectionism.

Its appeal is understandable. And if it is adopted, we might temporarily find it quite satisfying. We could probably save some defense expenditures in the short run. The world would be less stable outside, but we might feel well rid of it. But the decline of trade would cause the U.S. economy to grow even more slowly, and that would create still more internal strains.

Japan and a Europe led by Germany would decide that they had to provide for their own security, probably ultimately including possession of their own nuclear weapons, because China and Russia have them. The subsequent evolution of internal events in Europe and East Asia would be much less clear. Russia, weak economically, but still powerful militarily, might well feel threatened. To anyone who remembers or has read about the 1920's and 1930's, it all seems familiar, although this is not to predict that the strongest nations in Europe and East Asia would again become undemocratic or expansionist. The presence of nuclear weapons would certainly inhibit the deliberate initiation of military conflict, but would make its results unimaginably destructive if it happened.

Needless to say, I find this alternative approach markedly inferior to the difficult and complicated—and preferred—national security policy that I described earlier. What does that preferred national security policy imply for the U.S. defense posture? It leads to force capability requirements of various kinds. The strategic force needed is smaller, but preferably even more survivable than those we have now. Second, properly sized and equipped conventional forces, able to deter and if necessary engage in combat in Europe, the Western Pacific, and Northeast Asia, the Persian Gulf, and the Middle East, and modest forces for use elsewhere.

Some of those forces should be stationed in Europe, and some in East Asia. U.S. forces in those areas would have two purposes. First, they would be there to provide reassurance that the United States will continue to have a security commitment to our allies in those regions. The presence of U.S. forces would assure allies and neighboring countries against the future possibility of dominance of the region by a single power. The forces would also be available in a crisis for movement to other nearby areas. Those in Europe ought to also be able to provide a base for a buildup, if one was necessary, over a period of several years. There surely would be enough political warning of a renewed threat from the East, which I do not consider likely, to allow that buildup. But it would be easier to do so from an existing presence, both in political and mili-

tary terms. I think that a force of 75,000 to 100,000 would serve all of those purposes in Europe.

In Northeast Asia, I would envisage a draw-down of ground forces, leaving only a small cadre of those in Korea, and a somewhat larger Marine force in Okinawa. The principal U.S. military forces stationed in the region would be naval and air. And I am thinking about an evolution over the next 5 years or so. For crises in the Middle East and the Persian Gulf or in other areas, a principal requirement is the need to move large forces very quickly, either from the United States or from those stationed elsewhere overseas. That is going to require a substantial augmentation of airlift, and especially of sealift.

What mix of forces should we have? The situation will not always be as conducive to an overwhelmingly successful air campaign as was the case with the conflict with Iraq. But that demonstration of what modern technology can do and how quickly air power can be brought to bear, even directly from the United States, suggests a rebalancing of forces in that direction. It is also time to reexamine the roles and missions issue, which has not yet been faced up to since the Key West agreement of 1948, and not very well then. I urge concentration on what are called force multipliers, which have worked well in the past.

Let me now turn to a question which you specifically asked me to address. How should the U.S. deal with the struggles for democracy in regions outside of the well established industrialized democracies? And what about the ethnic conflicts that are also on the rise?

The thrust of those ethnic conflicts and the wish for self-determination does not always reinforce the evolution of democratic institutions. We have seen that in recent months. I would argue that U.S. attitudes toward governments everywhere should give primacy to how they treat their neighbors, or how they threaten to treat their neighbors. In other words, realpolitik does have a basis. In most cases, that will be the element that most determines America's own interests in a particular conflict or region, though the intensity of our interest will often depend on other factors. Burundi and Cambodia are not Kuwait.

U.S. economic interests and historic responsibilities and, inevitably although not always constructively, U.S. domestic politics will also have an effect. Depending on these and on the intensity of the conflict, and on our ability to intervene, our actions can appropriately run from statements of disapproval through diplomacy, either unilateral or in combination with allies, or with various international organizations. Also appropriate is economic pressures at various levels: cutting off military aid, and then development assistance, and then trade. Still higher on the scale are embargoes; a blockade, which is a low level act of war; and finally, direct military action. Depending on the region and the military capabilities required, the United States may have to lead in such a situation. But it will be highly desirable to create a coalition and if possible gain U.N. blessing.

Now what about oppression within a country, what about human rights questions? Depending on its nature and upon other factors that I mentioned that engage U.S. special interests, I think that ac-

tions against that kind of oppression in another country can be justified through the noncombat portion of the scale that I have described.

Now in some cases, the Kurds in Iraq for example, the international community is moving toward limited military intervention. But those are very special cases, and I think that they will be rare. Although there has been a shift in international attitudes, it is not yet a decisive shift. Too many countries are too worried that intervention in internal affairs, as they regard it, will apply to them for there to be much universal support for this. And I think that we need to be very careful.

It is important in my judgment that the United States be seen as standing for democratization, and especially everywhere for human rights. Those are not identical. They are related, but they are not identical. But we ought to carefully consider whether our specific actions improve the prospects for democratization and human rights, rather than simply make us feel virtuous with no sacrifice on our part.

As to ethnic conflicts, there will always be questions about how fine a subdivision justifies independence. In general, I suppose that the people in question themselves have the biggest say in that. Demanding human rights and negotiating some sort of autonomy, for ethnic minorities, however, may be more promising than advocacy of independence for every group that asserts it, whether or not the group is able to establish it by its own force of arms or political action. I will mention some of the problems, and they will show how difficult it is: the Kurds, Ulster, various African tribes, and the Israel-Palestinian negotiations.

I was also asked about the organization for national security, and I will touch briefly on that. Greater weight needs to be given to international economic issues, and to the need for increased productivity and economic strength and social cohesion within the United States, although the latter is largely a domestic issue.

As I have suggested in the past, it would be helpful if within the National Security Council system, one person or rather one office could be added to speak for the economic issues. That is difficult, because the domestic and economic responsibilities are properly so widely dispersed. The White House Chief of Staff, the Secretary of the Treasury, the Director of OMB, the Chairman of the Council of Economic Advisors, the Special Trade Representative, and the Chairman of the Federal Reserve Board—who is responsible neither to the President nor to the Congress—are, among others, all important players. And then there are a host of other domestic agencies. The Congress itself has always given close oversight to—or from another point of view, micro-managed—domestic and economic affairs even before it began to do so for foreign and military policy. But you cannot include all of those people and their staffs in the NSC committee structure and at the council level. If you did, no decision could be made.

So it seems sensible to pick one person from that list, and add that person to the National Security Council. And, conversely, to have the Assistant to the President for National Security Affairs, which means members of that staff, participate in the activities of the Domestic Council and the Economic Council. None of this will

spare the President from having to make the difficult decisions, but it may serve the President better by producing clearer expression to the options, especially in regard to the interaction between national security and domestic economic and political affairs.

Having given some requested advice, I will now give some unsolicited advice.

My remarks have, of course, merely scratched the surface of the complex and difficult issues that you are considering. The nation has some time to deal with them, although a few are likely to demand a decision within the next couple of years. But we will not be able to deal with our international challenges if we fail to face our domestic economic and social disfunction. Our low savings and investment rate, our low productivity growth, deterioration of the physical and social infrastructure, the tragedy of our inner cities, the disastrous state of our elementary and secondary education have already had a major negative effect on the general welfare and domestic tranquility, as well as on the ability of the United States to play the international role it should.

That is so despite the fact that we have major strengths. We are still the most productive country in the world. Our universities are still the best in the world. But we really do need to face these domestic problems, and it's especially frustrating that there is broad, though not universal, agreement on what our domestic economy needs: some sacrifice now by those of us who are more fortunate, and that includes not 1 percent, not 10 percent, but three-quarters of the American people—in order to produce a bigger pie down the road.

The conflict as to means to this end purports to be about the most effective ways to encourage greater productivity and growth, but it is really about getting the other fellow, or the other class, or the other age group to make the short-term sacrifice. But that is a matter for you to take up in other forums.

In the meantime, we must deal with national security as best we can. I much prefer the national security problems of the post-cold war world to those that we faced in its heyday.

Thank you very much, Mr. Chairman.

I am happy to answer questions.

[The prepared statement of Mr. Brown appears at the conclusion of the hearings.]

CONTINUED ROLE FOR NATO

Chairman FASCELL. Dr. Brown, thank you very much. You have covered a lot of ground, and I agree with your comments on economic matters—there is no way to divorce them. That is the problem. Whether or not we can address them remains to be seen. Nonetheless, the suggestion you made is certainly a helpful one.

There has been an idea floating around the Congress for a long time about a new department on economics. Somebody described it as giving cabinet status to an inter-departmental committee, I think. But, nevertheless, you put your finger on what is troubling everybody up here. And it has an impact not only on foreign policy formulation, but also on foreign policy implementation.

And to get specific, take the number of troops in Europe, for example. I gather that you are still a strong believer in the Atlantic Alliance and the necessity of NATO, and that NATO should not be exclusive but in some way inclusive.

Mr. BROWN. Well, it certainly has to include the United States, Mr. Chairman, because NATO is the only real mechanism for the United States to play a security role in Europe. The United States is a member of the Council on Security and Cooperation in Europe, but an organization that has 40-odd members and includes Tajikistan and Turkmenistan and operates on the principle of consensus is not going to be an organization in which the United States can or should try to play a decisive role. And the CSCE has shown recently, in connection with Yugoslavia, that it cannot even fully yet meet internal European security needs. So I think for our benefit and for the benefit of the Europeans, NATO has to stay in being.

I think NATO is going to change. It is going to become less important, but I do not think that it can be turned into a purely political organization or an environmental organization. Its main purpose should be what it has been before: namely, to reassure Europeans that the United States has a commitment to their security and a corresponding influence in their security matters, and that no single country will dominate Europe.

That is a code phrase for Germany. The Germans are not interested in dominating Europe. They have got their internal problems. But if this other course that I mentioned, the nonpreferred security policy course, is followed, the Germans will feel insecure, their neighbors will feel insecure and I do not know how it will come out.

NEW SECURITY THREAT TO U.S. AND EUROPE NOT WELL DEFINED

Chairman FASCELL. Well, let me pursue that a little deeper, if I may.

The role of NATO, obviously, must change. We have a different threat, correct?

Mr. BROWN. Yes. It is not a very well defined one. It is a combination of a couple of things. Russia has tens of thousands of nuclear weapons. It is not hostile, but we do not know what will happen in the future. That is not a reason to keep enormous forces there, and it is not a reason for Europe or United States to be hostile to Russia. But we do need to preserve a situation such that if some threat arises from the East, within a couple of years of recognition of such a threat we could build up the capability. That is one purpose.

The other is that the United States, having forces in Europe, will reduce the chances that the European countries will become insecure with respect to each other.

MEMBERSHIP IN NATO

Chairman FASCELL. I can see the rationale for that, but how about membership? If the Eastern Europeans—do we want to take actions or continue actions which would require them in some way to either adopt new bilateral arrangements with themselves or new

multilateral arrangements? Why not let them in instead of keeping them out?

Mr. BROWN. I do not think it appropriate to add the Central European countries—Hungary, Czechoslovakia, Poland—to NATO even though they have expressed interest and in some cases have specifically said they would like to join. I do not think that we or the Western European countries are prepared to extend the guarantees that exist within NATO to those countries.

Suppose—and this is a highly fanciful scenario, or at least unreal at present and in the near future—Russia reasserted dominance over Poland, or the Ukraine tried to take another piece of Czechoslovakia—it already has a little piece, Ruthenia, that it inherited from the Soviet Union which took it after World War II. If either of those things should happen, I do not think that we or the Europeans are prepared to go to war.

What those things would signal, in my judgment, is a return to the cold war, and we should make it clear that that is what would happen. I think that is a sufficient deterrent to such behavior.

I do believe there should be adherence by the Central European countries—Poland, Czechoslovakia, Hungary—to the EC toward the end of this decade, after the EFTA nations come in.

The Russians have also expressed some interest in joining NATO, but it would not be NATO with the Russians in it.

What a genuine future all-European security system would involve, it is too early to say, but I am not prepared to see yet collective defense replaced with a collective security against an undefined adversary, for an undefined purpose.

Chairman FASCELL. Yes. Well, maybe we should look for a new enemy. That is what everybody is busy doing anyway. We found it though. As Pogo said, it is us.

Mr. BROWN. We certainly have a big problem in our own domestic economy. I would not characterize ourselves as an enemy, and I would not like to see us begin to think of our political and, indeed, military allies as enemies even though they are our economic competitors.

Chairman FASCELL. No, of course not.

Mr. BROWN. It is beginning to happen, I am afraid, in some quarters, and I think it would be a bad mistake. It assumes that economic competition is a zero-sum game, which I do not believe it is.

Chairman FASCELL. Thank you.

Mr. Hamilton.

APPROPRIATE LEVEL FOR DEFENSE EXPENDITURES

Mr. HAMILTON. Well, thank you, Mr. Chairman.

Mr. Secretary, we are glad to have you here. I have got many questions and I really do not expect extended answers, but I want to get a flavor of your thinking about a number of things.

You concluded your statement with quite a ringing eloquent plea for more emphasis on a lot of our domestic problems. I was curious, in terms of specifics on the national security or the defense side, how you assess things like the Seawolf, the B-2 bomber, a test ban treaty, and the number of nuclear warheads, and SDI. We will take 30 seconds on each one or so.

What do we do here?

Mr. BROWN. All right.

Mr. HAMILTON. Do you want to see us shift resources substantially away from some of these things I have mentioned and maybe some I have not mentioned toward these domestic problems you conclude with?

Mr. BROWN. I think that we should set—and it is unpopular to say this, but it is the way it is in fact always done—I think we should set a level of defense expenditures, and I think that what the administration is proposing over the next few years is not unreasonable. I think we should set that level to go down to say 3.5 or 4.0 percent of the GNP by 1996.

When we have done that, we will have reduced it to its lowest percentage since 1947, 1948, 1949. It will still be a large number, but it will be a quite small percentage.

I would point out, and I do not want to take a lot of time on this, that the difference in percentage of GNP between U.S. expenditures and German or Japanese expenditures is bigger on health care than it is on defense. We spend 12-plus percent on health care. That is the whole country, not just the government. The Japanese spend 7; Germans spend 8.

We spend 5 percent on defense; Japanese spend by our accounting 1.5 percent; Germans spend about 3.

So when you have wrung defense down to 3.5 or 4.0, it is still a lot of money, but there are much bigger amounts of money elsewhere.

SEAWOLF SUBMARINE

Now, how should you spend that money? I think it is time to terminate the Seawolf program, build the one that is under construction. Then turn to a submarine, and take your time about it, that will deal with different kinds of submarines threats. The diesel submarine operated by a rogue third country is now more dangerous. We need to deal with that. We are not able to. So I would keep ASW, antisubmarine warfare, as an important focus, but I think that the Seawolf is not the right way.

B-2 BOMBER

I happen to think that we should complete the 20 buy on B-2s for reasons that I have publicly expressed many times and are implicit in what I say in this testimony. To be able to respond from the United States on 1 day's notice with a massive conventional air to ground capability is a significant and important thing, and the B-2 is the best way to do it.

S.D.I.

As to S.D.I., I do not believe in a space-based system. I think it will neither perform its mission nor be accomplished at anything like the cost that is claimed for it. I do think we need to get an antitactical ballistic missile capability for theater use against non-nuclear threats. Against nuclear threats, especially a massive nuclear threat, antiballistic missiles are not going to work. And there are other ways to deliver nuclear weapons.

I am openminded on the question of a thin defense of the United States. I think it might make sense against accidental system attacks, or unauthorized ones. But remember there are a lot of other ways to deliver nuclear weapons besides ballistic missiles. So I am not sure how high priority I would give it.

SETTING DEFENSE SPENDING LEVELS

Mr. HAMILTON. I was kind of interested in the approach you took a moment ago to the level of defense spending.

Mr. BROWN. Yes.

Mr. HAMILTON. Three and a half percent.

Mr. BROWN. Right.

Mr. HAMILTON. Why? I mean, why should it be 3½? Is that not kind of backwards? I mean, should we not rationally come at the question of defense spending—

Mr. BROWN. Yes.

Mr. HAMILTON [continuing]. From an assessment of threat?

Mr. BROWN. You build it bottom up as well.

Mr. HAMILTON. Yes.

Mr. BROWN. I meant what I said when I said it is unpopular to say so, but it has always been done the way I said. And, in fact, it always will be because there will be too much disagreement on the details. I would still like to build it up from scratch, and I tried to do that in my presentation.

Mr. HAMILTON. Yes.

Mr. BROWN. But since we do not really know for sure what the threats will be, you have to be guided as well by some rule of thumb. If we were starting from zero defense, then it might be easier to build it up from scratch.

U.S. MILITARY AID PROGRAM

Mr. HAMILTON. Yes. Let me jump to another matter altogether. I would kind of like to get your feeling about our military aid and assistance programs, the distribution of it and the importance of it.

What are your general feelings about the military aid program? Do we overdo it? Do we not do it very well?

Mr. BROWN. I have been through this issue in the Kennedy/Johnson years and again in the Carter years. On both occasions policy was laid down that we should try to minimize it and we should try to use other forms of aid. In President Carter's day, we went through the presidential decision that was very explicit that we should reduce our military assistance, and that the sale of arms is in general a bad thing. But other countries do it. Now, of course, the former Soviets are doing it less than they were. Arms sales, however, are going to come, primarily, still from the Russians because they need the money and from the French and the British, who also need the money. So long as that goes on the U.S. risks losing political influence without stopping the arms trade.

Therefore, even in the Carter administration, when there was a very strong policy inclination not to have arms transfers and not to provide funds for military aid, whenever a specific question came up about a specific country you decided it largely on the basis of

the political advantage rather than the military necessity or the general policy. Nevertheless, military assistance went down.

Then it went up in the 1980's as the cold war appeared to heat up, and I think it appropriate now that it go down again. Most of it, of course, goes to Israel and Egypt. Pakistan, we have cut off. Turkey still gets a fair amount. It is given to countries with whom we are on friendly terms, have reason to try to continue to be on friendly terms, which we wish to influence politically and which see themselves, as we see it justifiably, as facing a military threat.

Mr. HAMILTON. Do you see the military aid as a very important lever of influence for us?

Mr. BROWN. It is in some cases.

Mr. HAMILTON. Do you think a military aid program ought to be justified at any point in order to keep production lines open in this country?

Mr. BROWN. No. It is in other countries. Fortunately, it is a small percentage of our military production. But in any case, I do not think it is a good idea to use that as a justification.

ARMS TRANSFER POLICY

Mr. HAMILTON. And what about the international arms sale business? This is, I guess, related to the first one, but if you look at the way that is carried out today, the Perm five countries really do most of the selling of arms.

Should there be a very vigorous effort at restraint there, or is that a fruitless exercise?

Mr. BROWN. I think there should be a vigorous effort to reduce everybody's arms transfers, especially from the five leading exporters. But I think that a special effort should be made not only with respect to those five, but with respect to everybody else, on weapons of mass destruction and their components, and related technologies, whether they be nuclear weapons, long-range or medium-range missiles, biological and chemical warfare. Unless we concentrate on that, I am afraid that we may lose that very important focus just by looking at all arms in general.

We should try to reduce the sales of tanks, but I am much less worried about that than I am about sales that lead to nuclear weapons in rogue states.

DIFFICULTY OF THREAT ASSESSMENT IN CURRENT ENVIRONMENT

Mr. HAMILTON. One of the things that impresses a politician, I think, is that during the cold war period of which you spoke we had the concept or strategy of containment. It had a lot of advantages to it. It was simple, and it had a very heavy moral component. We were stopping naked aggression and that sort of thing, and the evil empire.

One of the reasons I think our constituents are struggling more with foreign policy questions now is that they do not see that kind of a clear world anymore, and it therefore becomes, in some cases at least, more difficult to persuade them of U.S. involvement, and intervention, and military spending, and a lot of other things. I do not know how you react to all of that. I have noticed that in my

discussions with constituents. We do not have a nice, clear, clean, precise what do you call it? Ideology or theme to our policy.

Mr. BROWN. We do not have as clear a threat. We do not have as clear a crusade.

Mr. HAMILTON. Yes.

Mr. BROWN. I have seen it in the public. I have seen it in the media. I have seen it in the Congress. And it is understandable.

I cannot offer any equally appealing and simple picture of the world. The world has become more complicated. It has become more confused. It is less stable, but outbreaks of instability are now much less likely lead to a global conflagration.

Mr. HAMILTON. Yes.

Mr. BROWN. Which is why I say I prefer this situation to what there was before.

I think what you have to say to people—I say it and it is not fully convincing, but if you get them to think about it, I think, they could come to believe it—is that we do not want to go through what happened in the 1920's and 1930's again.

Mr. HAMILTON. No.

Mr. BROWN. A withdrawal of the United States, a resurgence of nationalisms, a conflict over trade, ethnic conflicts. Some of the latter are inevitable. The United States can play a constructive role in damping them down and avoiding a repetition of what has happened several times before, and we should be willing to pay some insurance in order to keep that from happening.

Mr. HAMILTON. Thank you very much, Mr. Secretary and Mr. Chairman.

Chairman FASCELL. Mr. Solarz.

APPROPRIATE LEVEL OF U.S. MILITARY DEPLOYMENTS IN EUROPE

Mr. SOLARZ. Thank you very much, Mr. Chairman.

Mr. Secretary, it is always good to get the benefit of your views on these matters. Let me explore with you, first of all, your views on the appropriate level of our military deployments in Europe and Asia, taking Europe first.

You have suggested that we could go down to 75,000 or 100,000 troops. A few months ago I was with General Galvin in Brussels and he talked about the need for a minimum force of 150,000, which he based on the following analysis.

He said, if we are going to have a military presence there, it should be a credible military presence. That, he said, required one corp consisting of two divisions plus support troops. That comes to between 70,000 and 80,000 troops. He said we need some in-theater air support for the force. He felt three and a half fighter wings were the minimum that were necessary, which amounts to another 45,000 to 50,000 troops. And he thought 13,000 naval troops were also necessary, I suppose, to maintain an infrastructure in place if a contingency develops where we have to send men and supplies over by ships. That comes to a total force of between 128,000 and 143,000 soldiers. That is somewhat more than you suggested. I would be interested in your response to his position.

Mr. BROWN. He has a detailed analysis and I do not have one. But I would suggest that there are other ways to organize U.S.

forces there that might allow a smaller number. One is to do more by rotation. In other words, not station all the troops over there, but exercise some of them in a rotation. Another is that instead of having two divisions, and this depends upon how NATO decides to organize itself, you might move toward international formations in which U.S. brigades could be deployed.

Mr. SOLARZ. If we make a decision say to have an army with 11 or 12 active divisions—the administration is proposing 12 active and 6 reserve—divisions.

Mr. BROWN. Yes.

Mr. SOLARZ. Once you have decided on the appropriate number of divisions, the next question then becomes where do you deploy them.

Mr. BROWN. Where do you put them.

Mr. SOLARZ. I do not understand what the argument is for bringing all these people back. If you have a 12-division army with one or two divisions deployed overseas, particularly if much of the infrastructure costs are taken care of by the host country, it does not really seem to cost us any more to have them deployed overseas.

Mr. BROWN. I think that is true. It should not be decided on the basis of costing more overseas. They do not cost more overseas. There probably is a slightly greater adverse balance of payments that results. But so long as we save less than we invest in this country, there is to be an in-flow of capital, and that means we will have a negative trade balance anyway.

If you have 12 divisions or 11, I am not sure you would want 2 in Europe simply because you need a rotation base in the United States that is at least equal, and that means that if you had 2, 4 would be committed to Europe, which may be too many out of 11. But I agree with you that bringing them home does not save money unless you disband them.

I think that overall I would see in Europe, plus Asia, perhaps 2½ divisions altogether out of 11 Army and 2½ Marine.

Mr. SOLARZ. Now, you have also suggested—

Mr. BROWN. Let me add one more thing. I am sorry to interrupt.

When I say 75,000 to 100,000, I am speaking of a steady state. I think that General Galvin may well be right about the next 3 or 4 years. After all, we have drawn down, I think, to something over a little over 200 already, and I think that maybe we will get down to 150 in another couple of years, and then we can see what happens.

Mr. SOLARZ. Right.

Mr. BROWN. I think we will get down to 75 or 100 within 5 years, especially because I am not sure that the Europeans really want 150,000 American troops there. They are not going to be able to exercise the way they have.

U.S. MILITARY PRESENCE IN SOUTH KOREA

Mr. SOLARZ. Right. Now, you have also suggested we draw down our military presence in South Korea to a minimum force over the next 5 years to a token or symbolic presence.

Mr. BROWN. Yes.

Mr. SOLARZ. Would you stick by that position if our efforts to resolve the nuclear problem in North Korea are not satisfactorily re-

solved, and if there is no demonstrable political progress in reducing tensions on the Korean Peninsula?

Mr. BROWN. That would change my attitude, and indeed I am not sure that just keeping the forces we have there would solve that problem if we fail to reach a satisfactory outcome.

Mr. SOLARZ. So you would not advocate a minimum force in South Korea if we do not solve the nuclear problem, and if there is no reduction in political tensions on the peninsula?

Mr. BROWN. No, I would in fact start worrying about what else we would do in that case.

REORGANIZATION OF THE ARMED FORCES

Mr. SOLARZ. What is your feeling about a suggestion that one of your predecessors, Mr. Clifford, made at the beginning of these hearings, to reorganize the Defense Department to consolidate the various service air forces into the Air Force? In other words, Army air and Navy air would be centralized under the jurisdiction of the Air Force.

Is that something that makes sense?

Mr. BROWN. I speak in my prepared statement to the issue of roles and missions. And I think as part of a reexamination of the roles and missions question, that is one option that should be considered and considered seriously. Knowledgeable people from Clark Clifford to Barry Goldwater, and that is a fairly wide spectrum, have been saying that four air forces is three too many.

There is, however, the question of organic support for the Army. I would not consolidate helicopters, for example, under any circumstances. The Marines argue that they do much better because their air units are integrated into the division-wing structure of the Marines. The Air Force would argue that all that does is assure that you never win the air battle.

The British have consolidated their naval-air arm into the Royal Air Force. It has worked well for them.

The tighter the money gets, the stronger the arguments for doing it become, and I think that they are pretty strong at the level of funding that I contemplate.

FUTURE OF THE EUROPEAN COMMUNITY

Mr. SOLARZ. Do you think we have an interest in the deepening of the European Community, as distinguished from its widening?

Mr. BROWN. I think that that is a matter that the Europeans are going to settle, and we really will not have very much to say about it. I think that widening will actually produce a good effect before a deepening can occur, although I think at the same time it will delay deepening. I think that there is an issue here of bringing the Central Europeans into the economic structure of Europe as well as the EFTA countries, and I think that needs to be done fairly quickly.

I think the deepening, when it gets to security matters, is going to take a long time, and trying to get it done quickly may be—probably is counterproductive, but they will have to decide that.

Mr. SOLARZ. I take your point that it obviously is their decision. But in terms of American interest would we be better off with the

emergence of something approaching a United States of Europe or not?

Mr. BROWN. I think that I would postpone that to the Greek calends. I think that there is not going to be a United States of Europe in any of our lifetimes, because they are not one country.

APPROPRIATE LEVEL OF MINIMUM DETERRENCE

Mr. SOLARZ. Yes.

When he testified awhile ago, I asked General Powell about his views on the question of minimal deterrence. He seemed to feel that anything much below 4,500 or 5,000 strategic nuclear weapons, which was the administration's view, would not be acceptable in terms of our national security, even after the collapse of the Soviet empire.

What is your view on that question? Let me put it in this context. Once you have stability in the sense that neither side has the capacity to destroy the nuclear forces of the other and does not have an incentive to attack first, does it really matter whether we have 4,000 or 5,000 or 1,000 nuclear warheads?

Mr. BROWN. I think it still matters how many we have relative to how many the other has.

Mr. SOLARZ. I am assuming it is mutual.

Mr. BROWN. Equality. You assume equality?

I think we can in time go down well below 4,500. We might be able to get down to a couple of thousand. But to some extent, I will throw this back to you—or to the Congress—because I would be somewhat concerned if those 1,000—or 2,000—had to be picked out of the present force. As you go down to a smaller number, survivability becomes more important. And although our forces are very survivable, I think it would be very desirable and probably necessary to go to some different basing schemes, and that will cost some money.

Mr. SOLARZ. Do you think we need to maintain the Triad at minimal deterrent levels?

Mr. BROWN. That is part of the survivability issue, and at 2000 warheads I think we would have to retain the Triad.

POST-COLD WAR ETHNIC RIVALRIES

Mr. SOLARZ. One final question, if I might. You spoke about the reemergence of ethnic rivalries with the end of the cold war.

Mr. BROWN. Yes.

Mr. SOLARZ. And the most vivid example, of course, is Yugoslavia.

Mr. BROWN. Yes.

Mr. SOLARZ. Despite the carnage and conflict now taking place in Bosnia and Herzegovina, which led to a world war in 1914, nobody seems to think that the current fighting is likely to lead to World War III. Nevertheless, the kind of fighting which is now going in a European country in the last decade of the twentieth century seems almost beyond belief.

I would like to know first how much of an interest you think that we have in trying to find ways to end it, and second, is there anything as a practical matter that can be done other than to issue

statements deploring it, summoning our Ambassador back to Washington, declaring an arms embargo, the sort of things that we have been doing?

Mr. BROWN. I would make three points. First, if something like this had happened during the cold war, we and the Soviet Union would be facing a confrontation. On the other hand, if it had been the cold war, this would not have been allowed to happen. Nevertheless, I think that we are well off out of the cold war.

Second, this is primarily a matter for the Europeans. They are closer, and their interests are more involved. They should take the lead, except for very good and helpful interventions on the part of individuals like former Secretary Vance under U.S. auspices.

Third, it is appropriate for us to go beyond statements deploring what is happening, to go to economic pressure. But we do not have much influence, and there is not much that we are going to be able to do.

Because of that, I would even suggest that we moderate our statements. Because if we make loud statements and cannot do anything, we begin to look kind of foolish.

Mr. SOLARZ. I doubt that there would be much support for this.

If the Security Council were prepared to insert a peacekeeping force there without the cooperation of the parties in an effort to force an end to the fighting, is that something which you would support?

Mr. BROWN. We call that peacemaking, and it is a euphemism for combat. I would say that if the U.N. wanted to do that, we should be prepared to support it. My guess is that the Chinese would veto it, because an intervention into internal affairs worries them. I would not favor the United States having troops involved, although I think that the United States could provide logistic support.

Mr. SOLARZ. Thank you very much, Mr. Chairman.

Chairman FASCELL. Thanks very much, Dr. Brown. I really appreciate your taking the time to be here and adding to the dialogue. We hope that this effort, which is rather extensive, will not only explore old ideas, but maybe promote some new ones. Your service to the country has been outstanding, and we are grateful that you have taken the time to be with the Foreign Affairs Committee.

Mr. BROWN. Thank you for the opportunity, Mr. Chairman.

INTRODUCTION OF GENERAL WILLIAM E. ODOM

Chairman FASCELL. Our next witness is Lieutenant General William E. Odom, an American with a distinguished record of service to his government, a former Director of the NSA, who is still doing good works in a variety of ways. I am delighted that you have taken the time, General Odom, to prepare testimony, and to make it part of this record.

So, we look forward to hearing your thoughts, for example, with regard to security and troop strength, and the interlocking of our economic systems.

The new place that we find ourselves has led to all kinds of discussions, including restructuring. I am always a little skeptical

about restructuring in government. But nevertheless, I just point that out as an example of how far the discussion has ranged. We plan to publish these contributions, made by distinguished Americans like yourself, in the hope that it will help us develop a constructive policy to deal with the new realities facing us around the world today.

So with that, I would like for you to get on the record in any way that you see appropriate. And I appreciate your patience and your willingness to participate.

General ODOM. I do not understand what your time schedule is, sir.

Do you want me to comment?

Chairman FASCELL. Just do whatever you want. If you have a statement and would prefer to summarize, we will put your statement in the record. If you would rather stick to the statement, that is fine, too.

General ODOM. I do not want to try to read the statement. I will let it stand as it is written for the record.

Chairman FASCELL. Well, let us put it in the record then, and we will just talk.

General ODOM. All right.

[The prepared statement of General Odom appears at the conclusion of the hearings.]

STATEMENT OF LIEUTENANT GENERAL (RET.) WILLIAM E. ODOM, FORMER DIRECTOR, NATIONAL SECURITY AGENCY

General ODOM. And the thrust I tried to make in here, I think, addresses some of the questions that I heard asked earlier to Secretary Brown.

My major point is that there will not be an international order, unless the United States leads it. And I am not sure that we have made up our minds about how to do that. I do not think that we can dominate the world. I do think that we can remain selectively engaged in a way that achieves regional balances of power at a fairly marginal level of force commitment.

I further think that rather than trying to restructure our international commitments fundamentally, that we need to keep them and begin to adapt them slowly. I would insist that if you look back over the twentieth century when the United States has had solid relations with Germany and Japan, that it is impossible to start a war in Europe, and very difficult in East Asia.

When the United States brought Germany and Japan into its alliances, the deck was stacked in the cold war against the Soviet Union. When we have had bad relations with those countries, we have had the biggest wars of this century. Germany and Japan are much more significant powers than the Soviet Union was or than Russia will be. Therefore, any successful new world order in my view will depend on strong U.S.-German and U.S.-Japanese relations with a military component. If those two cornerstones can be kept, most of the other issues that we have heard spoken of here can be managed.

IMPORTANCE OF U.S. TROOP PRESENCE IN SOUTH KOREA AND EUROPE

Chairman FASCELL. How do we do the military component with the Japanese?

General ODOM. Keep the same arrangement that we have now. The thing that I am struck by is that the Japanese do not want out of the U.S. security treaty. I am struck that Russian analysts for 4 or 5 years now have been pointing out how much it would not be in the Russian interests or Soviet interests before late 1991 for the U.S. forces to leave East Asia. The instabilities that could occur as a result of Japanese rearmament worry them.

I do not think that we have our eye on the potential for change on the Korean Peninsula, and the realignments that that will cause in East Asia. If there is anything that will stimulate Japanese rearmament, it is a reunited Korea with no U.S. troops present, and the potential to have nuclear weapons.

I was appalled to hear people earlier talk about moving our ground troops out of South Korea. The South Koreans not only do not want them out, but even the opposition leader, Kim de Jung, who has no record for being pro-U.S. as far as forces there, has recently said that he wants to keep U.S. troops in South Korea after reunification.

And I think that they both understand that, because as you said earlier, we need a new threat. They already know what that threat is. Japan, in their view.

And as I said in my statement, for some time, our forces have been playing a new subtle role both in Europe and East Asia. In Europe, they protect the Germans from the British, the French, the Poles, and the Czechs. And the Poles, the Czechs, the British, and the French think that they are protected from the Germans. And that is very good. The EC would be nowhere as far as it is now, had U.S. troops not been there acting as a substitute for what they cannot achieve, what Congressman Solarz earlier talked about, a United States of Europe.

If you pull those troops out, will that not have a negative impact on the U.S. economy as well as their economy?

And the analogy holds in my view for the relations between Korea and Japan, and probably even for new Russian policies in the Far East and China.

REGIONAL THREAT ASSESSMENTS

Chairman FASCELL. Let us explore the Pacific for a minute, if we may.

Is it essential now, today, that we continue the uncomfortable arrangement in the Philippines?

General ODOM. I do not see any compelling reason to keep U.S. forces in the Philippines. And while I would not take the initiative to break the security treaties with Thailand and the Philippines—those are the two major ones that we have there—I do not think that they are very important.

I see four regions being of critical importance in building a new world order. It starts with the two rock foundations of the old system: first, Europe, the NATO Atlantic Community, or what I like to call the Atlantic House as opposed to the European House,

and second, the Pacific connection in Northeast Asia. Beyond these two regions, we cannot ignore the Middle East and Southwest Asia for a lot of reasons, which have been articulated publicly over the last year or two. Nor can we ignore the Caribbean littoral states.

We can ignore South America. We can ignore Africa. We can ignore South Asia. We can ignore Southeast Asia. When I say ignore, I do not mean ignore completely in the sense of having no diplomacy or playing no role in trying to keep a balance of stable forces in those regions. I mean that they are not areas for which I would have ready forces for contingencies planned. And it is the military sense that I mean that one really has to take these regions seriously.

If we take those four regions seriously, the two big ones, and the very troublesome one in the Middle East, the Caribbean littoral is not a great demander of forces—it would certainly be manageable within the force structure for these other areas—then I think that we will be able to manage the surprises that will occur and that no one can justifiably anticipate.

DETERMINING CONDITIONS FOR ADMISSION TO NATO

Chairman FASCELL. Well, let me ask you in that context, how should we view Eastern Europe and the new Soviet Union?

General ODOM. I would propose an image of concentric circles. NATO is the basic security inner circle that I think that we must work on.

Chairman FASCELL. But how do we let these other folks in and not keep them out?

General ODOM. The second circle is Eastern Europe. And the third circle is further East. And you begin to talk to each of these countries on bilateral and ad hoc bases over time. If Poland, Czechoslovakia, and Hungary prove to be stable democracies, I have no problem with bringing them into NATO. But the ticket for the inner circle should be a stable, liberal, democratic government. That has been what has allowed the Economic Community to grow up under the NATO umbrella.

Chairman FASCELL. But you do not have any trouble with outlining the roadway to get there?

General ODOM. Not at all. In fact, the sooner that is done the better. I do not think that the road has to be traveled rapidly. But it is very important that we convey to these countries that there is a road, and give them a map that shows what it requires to travel it.

Chairman FASCELL. Now I like that myself. I think that it is a very important thing for us to do, because if we do not hold that out to them, we force them to do something else.

IMPORTANCE OF RUSSIA

General ODOM. I could not agree more. And I would leap over that with another piece in this equation. I think that we have to pay very strong attention to Russia. Russia is key. If we can have a relationship with Russia and cooperate with those domestic forces that will restrain the old Russian imperial impulse and allow Russia a decade or two to develop a new role as a purely national

state, even though it still does have some sub-parts that are not purely Russian, that will be a major historical turning point. And that kind of Russia, I think, has prospects of contributing in a very constructive way to a new world order.

BUILDING SUPPORT FOR A LONG-RANGE FOREIGN POLICY

Chairman FASCELL. General, you have put your finger on something that troubles me. We in the United States are an impatient lot of people, and we have a tendency to fly off in different directions depending on the pressures of the moment, which is what I see happening right now in this country.

How do we go about building support for a long-range view? We cannot expect a quick change-over after 70 years facing a Communist dictatorship. It is going to take time. Now, how do we cope with that in the American political body?

General ODOM. Well, in the first instance, I think that it is important to make the foreign policy elites and the media elites understand what I think intuitively the ordinary citizen does understand. That is that U.S. military involvement in Europe and in Japan is directly related to our common income. In other words, it is not a guns and butter curve trade-off. It is how many guns you have to buy to keep the trilateral legion producing more butter, so that we all are better off.

POLITICAL STABILITY MUST PRECEDE A MARKET ECONOMY

That strikes me as the foundation on which you have to build. Then you can go deal with the Russian problem. There, unfortunately, because we have allowed ourselves to get into the debt situation that we are in, and because I think some other countries—France, Britain, and Germany with its new East German burden—are in not greatly different situations, there will not be vast amounts of capital available to go develop a new Russian economy or a new Ukrainian economy.

That may or may not be bad. I am of the view that the most urgent issues in these countries are not economic, but they are political. And until they have a new political order that is accepted and stable, I do not know that most of the economic issues can be dealt with very effectively.

Let me be explicit. If you want to privatize, and you want to own a piece of property, to whose courthouse do you go to register the deed, and whose law and constitution sets it up? Markets just do not operate without legal structures and regulations and referees.

The determination of the referees and legal structure is the precondition for those market conditions. And those are the urgent issues there. And they are not economic. They are a matter for internal political decisions in those countries.

REVERSALS IN MOVEMENT TOWARD DEMOCRACY LIKELY

General ODOM. By the way, let me say one thing. I think we have to be prepared to see reverses from democracy in Eastern Europe, Ukraine, Baltics, Russia, and I do not think we ought to get terribly discouraged to see some of them relapse. What I think we need to do is to encourage, even if they relapse into some sort of authori-

tarianism, that the process to privatization continues. If it does, the conditions which will eventually cause those authoritarian regimes to revert back to democracy will be improved.

Chairman FASCELL. Well, I certainly agree with that. The task is of such a magnitude. If we look at it strictly in terms of economics, for example, I think it is safe to say two-thirds of the world economically cannot compete yet. And because of that it seems to me we will experience a lot of the ups and downs that you suggest before we can have any real progress.

When we consider the difficulties involved in creating a free marketplace, the democratic process, and a free life, we have to realize that we cannot do it all at once. The problems are gigantic, so we have to have a long-range view with respect to our foreign policy.

CHANGING OBJECTIVES OF POST-COLD WAR FOREIGN POLICY

General ODOM. Well, I agreed earlier with one of the comments that we do not have—I guess it was Mr. Hamilton, Congressman Hamilton who said we do not have a nice, tight slogan like containment which we had during the cold war. What is an equivalent, simplifying, directing slogan for the new period?

I do not think we are going to have one. We are back to normalcy.

Chairman FASCELL. Yes.

General ODOM. The cold war was highly abnormal, and it is the only time in our history we have had a clear and present danger. In earlier periods we have had to deal with uncertainties and risks, and make judgments about how much we were willing to invest in insuring against those risks.

I do think, though, there has been an underlying—well, there has been an underlying ambivalence in our attitude toward the world. That is, on the one hand to think that we are different and the rest of the world cannot be like us; and on the other hand to think that we are an example, that the rest of the world ought to become like us.

The second, it seems to me, has predominated in the last half of the century, and I hope that will continue into the future, not in the sense of being reckless and asserting our political system, but being willing to expend some resources to maintain stability and change toward democratic forms in whatever regions of the world the prospects are the best.

Chairman FASCELL. I agree with that, General, and the other thing that strikes me as we are discussing this is the fact that in redefining the title of superpower, we have to go beyond sheer military capability. And if there is a nonconfrontational era now because of the breakup of the Soviet Union, the question that remains is whether or not we can continue to hold superpower status without recognizing that we have more multinational responsibilities and commitments than ever before. Operating in a single polar universe is not to our advantage.

COSTS OF MAINTAINING A NEW INTERNATIONAL SECURITY ORDER

General ODOM. Well, I tried to say in my statement, to make the case in my statement that there is, I think, a very real connection between the international security order and the international economic order.

Americans have become accustomed to consuming at a fairly high level. If we are not willing to make commitments to sustain selective parts of that international security order from the old cold war period and adapt them to these new problems, which, as you describe may be even more taxing in some cases, then we are going to have to accept a lower income. And I think that is a relationship that is not recognized.

There is this illusion that there is a so-called defense dividend. There is an illusion that now peace is breaking out and therefore you do not need anymore money for law and order. And I think the realities are quite the contrary. As the so-called neorealist international relation theorists will tell you, the breakdown of this bipolar system will lead to increasing international anarchy.

Now, I think they describe a big part of the dynamic trend, but I do not subscribe to their view that the leaders of major European powers, Japan, and the United States, cannot decide to check that trend and restore order to prevent anarchy from eroding all of the old order. And I think that what the public probably inherently understands is that there is a connection and that, you know, there is a public sector, public interest, common public good that has to be paid for in order to have the overall economic product we have come to enjoy, and it is not limited to our shores. It is now very much extended into the central part of Europe, the rim lands of Northeast Asia, and it is affected indirectly, and sometimes quite directly, when there are outbreaks of war in the Persian Gulf and Middle East.

POLICY TOWARD AFRICA

Chairman FASCELL. Well, General, I find this very interesting and most helpful. But let me raise one more thing before we quit here. And that is, U.S. policy, in conjunction with other nations, with regard to Africa. We have come to the end of the colonial period in Africa. We see progress toward the right of self-determination, the institution, at least initially, of a democratic process, even some kind of understanding in terms of the needs of the people of Africa themselves in self-governance and economic betterment and participating in world politics.

Is that, in your judgment, a fair analysis of what has happened in the last 30 or 40 years with regard to United States and other nations' policies in Africa?

General ODOM. Yes, I do. Africa is so varied in its cultural, political, economic realities that it is hard to generalize about it. But there is no questions but what we have—U.S. policy in particular has played a very key role in decolonializing most of Africa.

I have always been amused that Soviet policy screamed about getting rid of imperialism. They talked a lot about it. But the only people who did anything about it were the Americans. We really

led the anticolonial revolution in the Western world, and that has been the case right up to today.

Now, what emerges in the aftermath of colonial control is not always desirable and positive. Democracies do have a hard time emerging in these states. I have just been doing some studies on countries in the Third World, post-colonial states, and I have been struck by some of the academic literature which emphasizes the weakness of these states. Until strong civil institutions—tax collection, police, courts—are in place, stable democracy is very, very difficult because enclaves of interests will remain outside the state and destabilize it or cause greatly inequitable distributions of wealth and property.

What I see Africa facing is that internal problem of trying to create states that can make a system of liberal democracy and market economy work. We have let them start by removing the colonial governments, but the conditions in which they are having to proceed, some would argue, are as bad or worse than under colonial rule. But I think it is a picture about which rendering uniform judgments is difficult.

Chairman FASCELL. Well, you cannot reach an absolute.

General ODOM. Right.

QUESTIONING ADEQUACY OF INTERNATIONAL ECONOMIC INSTITUTIONS

Chairman FASCELL. That is just human nature, the evolving process.

Well, that leads me to another question. The question of how much, unilaterally, as a superpower, we can really control. Let us take economics. I think that it should be clear that our economies are so interrelated that I doubt that any one country can control the economy of the world in a monetary sense, in a production sense or any other way. Would you agree?

General ODOM. Absolutely. In fact, what has struck me of late is the increasing inadequacy of a lot of the international economic institutions, which we help found after World War II, under the stresses of the very changes you are talking about. And I think very aggressive, creative leadership is needed right now if there is going to be a GATT in the future.

The World Bank has changed its mind about its proclivity to favor statist solutions to economic development. If it reaches that conclusion, do we need a World Bank? Why do we not leave it to commercial banks?

The IMF medicine for countries makes good economic sense, but parliamentary democracies have trouble making the kinds of economic policies that IMF wants to impose on them. Imagine the IMF telling the United States to reduce its deficit. I think you would understand that we would not think that is a feasible thing to do. So, you know, I think the IMF strategy, while in theory very compelling, in practice may even cause some of these democracies to fail because they take the strategy seriously and try to implement it.

Chairman FASCELL. Yes.

General ODOM. And so what are we going to replace these old institutions with—are we going to adapt those institutions to this new situation?

I think we need to look at this kind—

NEED FOR INCREASED INTERNATIONAL COOPERATION

Chairman FASCELL. We better. We better. I agree with you.

All right, let us take it one step further, and then I am going to turn you loose. You have been very cooperative.

I am about to lead a U.S. delegation to the international environmental conference in Rio. They expect 20,000 people there and the heads of over 100 states.

General ODOM. Right.

Chairman FASCELL. The whole world is going to come together. It took us 20 years to hold this conference after the Stockholm meeting. But we are going down there in the first effort to do something major, as I see it, internationally on the question of environmental degradation, development, the whole issue. I find that as really a kind of a jumping off point, but what it signifies, it seems to me, is that maybe the people of the world have realized we better quit killing each other—militarily, economically or environmentally—and we better start working together if we want to be here a little while longer.

We still have to do our own thing, that is important, we have to take care of our own country, but more and more we are involved with the rest of the world.

DEFINING NEW U.S. ROLE IN INTERNATIONAL AFFAIRS

General ODOM. As I have said in my written statement, I think there are essentially three strategies for the U.S: America first, or isolationism, which I do not subscribe to and I think if we tried to follow, we would stumble in the process as we realized what the costs would be to us, so I do not take that as a serious one.

There are, it seems to me, two other real alternatives. One is to try to play a superpower role, characterized by a lot of unilateralism. The other, which I support, I would call an economy of force, trying to maintain regional balances at a minimum expenditure of U.S. resources and power. This alternative cannot be conducted with a heavy component of U.S. unilateralism, and I think that will turn out to be difficult for us to learn to deal with.

We are going to have to let the Japanese, and the Germans, and some other Europeans have more constraint on some of the things we would like to do than we have been willing to in the past. And if that is the point you are making, I could not agree to it more, and I think we are in for a difficult learning task.

I would say about that particular conference you will attend, I am less optimistic than you that we have learned to stop killing each other. I think the end of the cold war will allow us to kill each other in a lot of different ways and different places. We probably are going to have more of that. But I also think that it will allow us, or it is beginning to compel us to think about public goods on a global basis, and how to pay for those public goods is going to

become a major policy area which I do not think we ought to be dragging our feet on. We ought to be taking some initiative on it.

I would like to see the environmental issue informed by better scientific work and debate and less by emotional appeals to aesthetic feelings, which I feel deeply myself. But I would really like to see more clear-minded views of whether the global warming theory is based on solid evidence from the scientific point of view, evidence that has withstood objective criticism.

I worry a little bit about marching off with policies that have great fiscal implications until we know more about the objective realities, but that is an issue for debate. The general thrust of what you are talking about I subscribe to entirely.

Chairman FASCELL. Well, General, I want to thank you very much. Now, you are with the Hudson Institute?

General ODOM. Yes, sir.

Chairman FASCELL. So you write and publish all the time.

General ODOM. Yes, sir.

Chairman FASCELL. I am in the Congress, and I do a lot of talking, and I not know how many people I reach. I try to reach as many as I can. I hope this series of hearings will help. One of our purposes was to put this debate on the record. Where we go from here, I am not yet sure. But we want to know what the parameters are. We want to open up this discussion. This is a bad year to do it, perhaps, an election year. I do not know. Certainly it is not going to be finished for a long time to come, but I think it is important that we proceed with it.

For example, I think the testimony we have received is so compelling and the discussion is so vital that some way should be found to put this kind of dialogue on television on a regular basis for the American people to participate in. I do not think it would be a best seller. There is no sex in it. But it is so important that we have got to work—you are already doing it with the Hudson Institute, and I am doing my small share in the Congress. But some way we have got to work together to see if we can expand this dialogue that is absolutely vital for our own salvation, our own country.

I want to thank you very much for taking the time to be here. You certainly helped me over many a rough spot this morning in this discussion that we have had. I know the record will be an outstanding for this part of the hearing. And with the others who have already testified and those we hope to have in the future, I hope the compilation will give us enough reference points to be useful for policymakers and the American people. That is what we are trying to do. Your contribution has been most useful, and I am grateful to you for taking the time to do it.

General ODOM. Thank you, Mr. Chairman. It has been a pleasure.

Chairman FASCELL. The committee stands adjourned subject to the call of the Chair.

[Whereupon, at 12:26 p.m., the committee was adjourned, subject to the call of the Chair.]

U.S. POST-COLD WAR FOREIGN POLICY

WEDNESDAY, MAY 20, 1992

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The committee met, pursuant to call, at 10 a.m. in room 2172, Rayburn House Office Building, Hon. Dante B. Fascell (chairman of the committee) presiding.

Chairman FASCELL. The committee will come to order. This is the fourth in a series of hearings on the new era that faces this country and the world, and we are fortunate indeed to have another distinguished American with us here today in the Foreign Affairs Committee. General Alexander Haig has rendered distinguished service to his country in many positions—a very unusual combination of positions, I might add—and now we find him not only to be a statesman, but a distinguished author as well. We are pleased to have him here.

Bill?

Mr. BROOMFIELD. I just wish to join you, Mr. Chairman, in welcoming General Haig. I am sure that what he has to say will be very helpful to us.

Chairman FASCELL. As I was explaining earlier, we are interested in getting the ideas and thoughts of distinguished Americans who have served their country in high level positions with the idea that, as we take a look at what is before us, we will hopefully learn from the experiences of the past and set some guideposts that would be useful in meeting future challenges.

And our objective here is to collect these ideas and issue a committee print. So, Mr. Secretary, we very much appreciate your taking the time to prepare testimony and to discuss these matters with us.

Now you have a prepared statement, and we can put it in the record, and you can proceed as you like.

Mr. HAIG. Thank you very much, Mr. Chairman, and I am terribly grateful for your warm welcome. I want to alert the members of this distinguished committee that you have someone whose political acumen is not too good; or I would have waited until this year to run for president and I couldn't have been here.

But be that as it may, it is always a pleasure to be before this committee; and you have been very friendly to me in the past, and very constructive and helpful in all of my dealings with you.

Chairman FASCELL. Mr. Secretary, it is nice to have a sense of humor. I want to tell you, it will carry you a long way.

STATEMENT OF HON. ALEXANDER M. HAIG, JR., FORMER
SECRETARY OF STATE

Mr. HAIG. It has so far, but only the wrong way.

Now, having said that, I will make a few broad observations. I have a detailed statement for the record, and I will make these broad statements in the context of the overall situation we find ourselves in today as a nation, as a nation-state and in a world of change. The first order of business would be to register my opposition to the term New World Order. There is no New World Order; it is the same old world order. We have had in the past, in the old world order, good guys and bad guys; good nations that live by rule of law and seek peaceful change and the democratic process, and nations that reject that and drift toward the rule of the bayonet to achieve change.

That has not changed. There are still such nations, and it is an old world order. The difference today is that there are new states, newly liberated states in Eastern Europe and the former Soviet Union that are now groping for a membership role in the camp of the good guys. But that is an evolutionary process which is still under way and the outcome of which is still to be determined; and the United States' role will be critical to the ultimate outcome of that situation.

As we meet today and look over the last 2 years, if we were looking for one single word to grasp the character of this world in which we find ourselves, that word would be "change." Not since the 18th century has the world witnessed as much structural, systemic, or ideological change as we have witnessed over these past 24 months. I would just like to touch upon three of these changes, our understanding of which will largely determine whether the United States remains a relevant player in this world of change.

Two of the changes are evolutionary, long predicted; and one is revolutionary, unanticipated in speed and scope.

The first of these changes, I would describe as a structural change. This is a transformation of the post-World War II globe from bipolarity to multipolarity with entirely emerging new centers of power. The new centers include Europe 92, Japan, now the second most powerful economic block in the world, and the emergence ultimately of the North American Free Trade area. This means that the United States' style in foreign policy and statecraft will have to change. It means we can no longer enjoy the luxury of dictating to the good guys the directions they should pursue, but rather, we are going to have to work with greater patience, greater cooperation in coalition building. That is very much what we saw firsthand in the recent Gulf crisis, where not only the United Nations, but the Gulf state consensus was critical to the ultimate direction of the policy of the law-abiding nations.

The second change is also evolutionary, long predicted. We used to call it "interdependence," but in this town in cycles of 4-years-old truths are renamed by new leaders so they can look creative. Today we call it "globalism".

Globalism is largely but not exclusively the product of the explosion in information sciences. We are living in a real-time world; transparency dominates the global scene. This has had profound

consequences, especially for global economics. The crisis on Wall Street in 1987 was felt overnight in every financial capital in the world, the declining liquidity of the equity markets in Japan this past spring has had a pervasive impact on the availability globally of credit and capital for investment.

What this means for the United States, in my view, is the need for fundamental shifts in our attitudes. First, it means that the former dimensions of statecraft, which were categorized in the political, economic, and the security spheres primarily, have become increasingly blurred. One cannot consider policies in one sphere without assessing the impact they will have on the other sphere.

It also means that the United States has lost the luxury of deciding what is good for America in purely domestic economic terms. It means that in every assessment we make, we must consider its global impact in economic terms, as well as its domestic impact; and I am sorry to say that as a nation we have failed to do that for too long a period, if we ever did do it. That simply has to change.

As we look at this changing world and this fundamental shift in the dimensions of statecraft, one looks at two realities which also must dominate the scene, and that is that we, as a trading nation, have become increasingly dependent on exports to sustain and to enhance economic growth. This past year, exports were the primary motivation in an otherwise lackluster level of economic achievement. That means that the bodies of this great American legislature simply cannot afford to believe that we can get well here at home if we neglect our obligations and our leadership role abroad, anymore than we can succeed abroad if we continue with some of the sophistries that have dominated our economic scene in recent years.

The third change is a revolutionary change, and for want of a better term, I would call it the collapse of Marxist-Leninism—which was unforeseen certainly in its speed and scope. I would not say so unforeseen in terms of its ultimate outcome for those that were careful in assessing the sophistries of international Marxist-Leninism.

But today I am very concerned that we Americans are living with two illusions with respect to this collapse of Marxist-Leninism. The first is that somehow Marxism collapsed because we were tough in the early part of this past decade, that we built our defenses, we stood tall in Grenada, we supported freedom fighters in Afghanistan; and we Republicans are taking credit for that at every turn we can.

Yes, it was important to build our defense and be tough. But if we portray it as the causal contributor to the collapse of Marxist-Leninism, we are historically wrong. I have often said we could have sent the Providence Police Force to Grenada. What made the difference was the internal contradictions of Marxist-Leninism, which lead inevitably to the historic collapse of a flawed system. That is the historic reality we have to bear in mind.

Why do I worry about this distortion that standing tall in the early 1980's caused "Gorby" to be a good boy? I will tell you why: Because you of the Congress are now dominated by the illusion and the corollary of that logic, and that is that if being tough made "Gorby" a good boy, now that he is a good boy, we no longer have

to be tough. Both of the defense committees of this Congress in the House and the Senate are dominated by that very sick syndrome today contributed to by the executive branch because of the false claims and the historic distortions of what caused Marxism to collapse.

The second sophistry is somewhat more subtle, and that is the sophistry that we Americans, democracies, have somehow won a triumph of values over Marxist-Leninism. We read it in every publication and every pundit's observation, the great triumph of global democracy.

I would suggest that that, too, is a distortion of reality. It is my view that the struggle for values continues, perhaps more intensely than ever before. What we witnessed is not a triumph of democratic values, but a triumph of Western industrial democratic systems—free markets, privatization, entrepreneurship. This is the real triumph that we have realized.

Why do I say that? I recall in my written testimony the observations of a young East German who crossed The Wall just before it collapsed and who was asked by a West German leader, a friend of mine, "why did you come? Why did you give up your home, everything you knew and loved, your means of livelihood? Was it our values?"

And the young man looked at him and he said, your values? "Your drug culture? Your white collar crime? Your social injustice? The deplorable quality of your educational systems?" He said "no, no. I didn't come for your values." He said, "I came for opportunity, for the right to work and earn in accordance with my skills and energies, and to pass on those emoluments to my heirs; and for the right to speak my mind freely."

Now, that has some value overtones, of course, but it represents primarily a triumph of systems. Today, these millions of people who have, thank God, been relieved of the sophistry of Marxist-Leninist ideology are attracted to the West not because of our values, but because of their hope to better their position in life.

If they find that we in the West, and especially here in the United States, the leader of the successful outcome of the struggle, are lacking in values, I would suggest they are going to turn to some other sophistry of the right or the left, perhaps authoritarian in character. This leads me to several final observations about the Soviet Union, the CIS as we see it today.

Of course, we are going to have to help. We are going to have to help profoundly and fundamentally and generously. But the greatest contribution to the successful outcome of the future of the former Soviet Union will be the example that we set as democratic societies. When it comes to the distribution of our precious assets, we are going to have to fight some battles here at home, for I would describe America today as in a state of philosophic confusion. We have had two strange bedfellows join together, especially in our legislature. The extreme left used to be the locomotive for our international conscience, but it became estranged with the disappointments of Southeast Asia, the Watergate crisis, the Iran hostage crisis, and some other events. Today they are primarily and almost exclusively concerned about domestic America, social injustice, the equitable distribution of wealth, and a host of other envi-

ronmental and educational and important aspects of the enhancement of values. They have been joined by another strange bedfellow; I call him the Neocon, for want of a better term. These or many of them are old Scoop Jackson Democrats who became disillusioned with their own party, became Republicans and brought great vigor and intellectual fervor to the Republican party about the time Ronald Reagan ran for President.

These people, however, are also suffering from some illusions. They believe the great Reagan Revolution created an America which enjoys the unique power position it enjoyed at the end of World War II, which was an historic anomaly which runs directly counter to those three changes that I described at the outset.

These two strange bedfellows, the Neocons and the extreme left, in this great body have merged for different reasons to be proponents of the same self-defeating policies such as protectionism, ally bashing, burden-sharing, Japan-bashing, and a host of other neo-isolationist postures which run directly counter to the world of change in which we find ourselves, and which will determine whether or not we are relevant as a nation. Frankly, I am concerned that there has not been enough vigorous talk about these problems.

Therefore, I very much welcome, Mr. Chairman, the exploration by this committee which will focus, I hope, on the true nature of the changes we face and the obligations they incur for continued American leadership, which is indispensable to continued American relevance and which will determine the quality and value of life here in this Nation.

Thank you.

[The prepared statement of General Haig appears at the conclusion of the hearings.]

Chairman FASCELL. Mr. Secretary, I want to tell you, if your book is anything like your statement, you are going to shake up a lot of people. I can't recall when I have enjoyed a substantive discussion and presentation as much as I have yours. You spoke with political analysis, historical perspective, and eloquence which I have not, frankly, heard from you before.

But I am particularly pleased with your willingness to debunk and to just talk cold, plain turkey. We need a big dose of that in this country right now; we have not been getting it. I hope that you will have the opportunity, and that we can help in that opportunity, to get that message across, just as you have here today, to millions of Americans who need to hear it.

Mr. Broomfield.

NEED FOR U.S. TO ENGAGE REFORMERS IN CIS

Mr. BROOMFIELD. Mr. Chairman, I certainly agree. I have never heard Al Haig any better than he was this morning, and I think that the perspectives he has given us are tremendously useful. I really am impressed.

Al, let's talk a little bit about our role right now, on what should we be doing with respect to the new republics of the Soviet Union under the aid program that Congress is considering. How impor-

tant do you view this request by the administration in relation to what you have had to say?

Mr. HAIG. Well, if I may, I will make some broad observations and then some specifics.

First, I have not been comfortable with the preoccupation of the Reagan and the Bush administrations with what I would call "domestic corpses" in the CIS. I am not particularly pleased to see this Nation go through an orgy of adulation for Mr. Gorbachev, to whom we owe a great deal of gratitude, not because he was a reformer, not because he wanted to get rid of Marxism—he wanted to save it—but rather because he didn't go to war to retain the empire.

The price of this adulation is a certain discrediting of those in the Soviet Union or the former Soviet Union, the CIS, who truly represent reform. And I can tell you, whether it is Mr. Yeltsin or the mayors of St. Petersburg or Moscow or the leaders of some of the new republics, they do not share our sense of gratitude to Mr. Gorbachev, and it worries them.

I think a big mistake has been made; we make ourselves rather ridiculous around the world in the process.

LINKING ASSISTANCE TO ECONOMIC REFORM

Secondly, I think we have been too preoccupied with order and stability, whether it be in the CIS in our original support for the central government, or on the Yugoslav issue, which is a reflection and a mirror of those problems.

We are clearly going to have to dig into our pockets and help the CIS, but I would hope we would understand we are dealing with a country which is now organized primarily under a Mafia, and that which is shipped in is frequently scooped off. Sometimes only 30 percent gets to the customer that we hope our generosity will serve.

I would also suggest that volumes of capital being poured into an unreformed economic system in which major industries are dominated under monolithic superstate centralized management simply is money down a rat hole. The Federal Republic of Germany has put over \$30 billion into the former Soviet Union, most of it has disappeared, and we don't want to do that.

This means several things. It means we must systematically require reform, structural change, privatization, the breakup of these state monopolies. It means that we are going to have to have people on the ground to know it and not rely on Mafia people who have their own ax to grind in the distribution of money and goods into the former Soviet Union. It means the distribution of food, medicine, and other commodities must be supervised.

Herbert Hoover in the period 1921 to 1923 set a good example for that in dealing with several republics where he had Americans on the ground distributing to the households that needed the goods and the services, and were not centrally located, which is both dangerous in terms of an unstable society, and also subject to corruption.

These are a few observations.

Mr. BROOMFIELD. Thank you, Mr. Chairman.

Chairman FASCELL. Mr. Johnston.

CAUTION ON CUTTING DEFENSE BUDGET

Mr. JOHNSTON. General Haig, let me see if I can just crystalize some of your thoughts here.

The Marxist collapse you said, and I quote, "was because of the internal conflict within the system. " But I get the impression, though, that you feel we are overreacting in cutting our military; is that right, sir?

Mr. HAIG. Well, first let me again, in the same spirit of bluntness that I am becoming characterized for this morning—

Mr. JOHNSTON. You sure haven't sugar-coated anything so far this morning.

Mr. HAIG. Yes. I think that Dick Cheney is the best Secretary of Defense we have had in my recent memory, and that is among an illustrious group of predecessors. I think he anticipated the political game up here on The Hill and therefore took a very drastic reduction, 25 percent by 1995.

Of course, that is not good enough for some of those who have now concluded that the cold war is over, that we can pick up our marbles and go home. They do not realize, first, that this is a very unstable situation. As we meet this morning, we are on the verge of potential conflict in the former CIS as one looks at the Iranian and Turkish concerns about what is going on in Azerbaijan. My friends, this is serious stuff. And it is not the grist upon which the dissolution of our armed forces makes any sense at all, or the removal of our capabilities in Western Europe.

Having said that, let me make another observation. We are an exporting nation. Our relevance in the markets in Europe and in the Pacific Basin is largely built upon the confidence they have in our security umbrella. When people talk about withdrawal of ground forces from Korea, as Les Aspin has recently done, he just simply does not understand reality. Our Japanese and Korean friends are very nervous that the United States is about to go home. They don't want it, but they are already pursuing policies designed to face that alternative, and they are not good for the American people in economic terms.

So yes, in my view some are tending to overreact in cutting our military.

AID PROGRAM FOR CIS IN THE U.S. INTEREST

Mr. JOHNSTON. OK. You don't want us to cut the military. You said, though, that we have to dig into our pockets for the CIS. I think you accuse this body on the other end of the hill as being isolationist; is that correct, sir?

Mr. HAIG. I am against isolationism.

Mr. JOHNSTON. But you accused us of being—

Mr. HAIG. I accused two sides of the aisle of playing this game, two muddle-headed sides of the aisle.

Mr. JOHNSTON. Both came around full circle; is that correct?

Mr. HAIG. Yes.

Mr. JOHNSTON. Where do we get the money to dig into our pockets, General?

Mr. HAIG. Well, first let me tell you, I am not going to join the camp that says we can afford everything. We have just finished a 12-year orgy of consumption, supported by the borrowing of foreign capital. The lack of personal and corporate savings has begun to affect our productivity and competitiveness rather importantly.

Clearly, if one thinks the amounts we are talking about for aid to the CIS and for the maintenance of a credible defense posture are in conflict with the other consumers of the Federal budget, 65 percent of which this year is going to entitlements, and 75 percent of which will be going to entitlements by 1995, then I say we have some very careful in-house assessments that have to be made, which are not driven by special interest groups and the staffs of the House and the Senate, but are driven by responsible legislators who are worried about the direction of this country.

Mr. JOHNSTON. Thank you, General.

Chairman FASCELL. Mr. Lagomarsino.

EXPANDING FREE TRADE THROUGHOUT THE SOUTHERN HEMISPHERE

Mr. LAGOMARSINO. Thank you, Mr. Chairman.

General, welcome. I think I would disagree with you to some extent. I think that what we did, what you did, had a lot more to do with the Soviet collapse than you give yourself and all of us credit for. But, it is true, they collapsed. But would they have, had we not kept the pressure on? I guess we will never know; we will never be able to rerun it.

Most of the questions I had in mind have already been asked and answered. Let me ask you, though, about your statement on page 5 where you say steps should be taken soon to broaden arrangements for the rest of Latin America, referring to the trade agreement being worked on now with Mexico.

Would you elaborate on that a little bit?

Mr. HAIG. Yes, I would.

I think anyone who has visited Mexico City recently, witnessing what is the most promising revolution in the innards of our southern neighbor that we have had since the inception of that national entity—there is no doubt in my mind that the President is absolutely right in seeking the broadening of the free trade agreement with Canada to include our southern neighbor. I am not naive enough to expect that that will happen before the November “witching date,” because the political silly season is upon us. Although the President says he wants to get it done quickly—it just is not going to happen. Hopefully, shortly after the election, it will happen.

In that same context, as one looks at Latin America as a whole, and I am not one that believes that the values of democracy are as embedded in this movement that we are witnessing globally as we would like it to be, it is the systemic attractiveness of free markets and market economies that has captured the imaginations of our southern neighbors from Argentina to Brazil where they still graduate too many economists, to Chile where they have had a long history of sound fiscal and monetary policy, to some of our Central American neighbors as well. I am very, very bullish about it, and I

think we want to be part of it, and I think the American people are going to benefit from an extension of the free trade area.

Mr. LAGOMARSINO. Thank you. I agree with you.

Chairman FASCELL. Mr. Solarz.

U.S. POLICY TOWARD YUGOSLAVIA

Mr. SOLARZ. Thank you very much, Mr. Chairman.

It is good to have you with us, Mr. Secretary. It is always helpful to get the benefit of your wisdom.

I would like to ask you to share with us your thoughts about how we should be dealing in this post-cold war world with the kind of problem we now see unfolding in what used to be known as Yugoslavia. I have in mind, in particular, the ethnic carnage now taking place in Bosnia, which we seem to be witnessing with dismay, but also with inaction.

On the one hand, I realize we can't be the policemen for the entire world. We certainly can't do it unilaterally. On the other hand, I must confess a profound sense of unease that this kind of killing is going on in Europe in the last decade of the 20th century, and nobody, including the United Nations, seems to be doing much about it. What do you think should be done here?

Mr. HAIG. Again, from the general to the particular, I think it has certainly taught us some lessons that we should hoist aboard. The compulsion to reduce our participation in NATO and to seek all-European pillars has certainly been discredited by the failure of our European partners to react appropriately to events in Yugoslavia. And so I hope it puts that sophistry to bed.

Secondly, the United Nations. We are all wistfully celebrating the renewal of the United Nations as an effective peacekeeping force. But we delude ourselves if we think that this is some permanent state of affairs. It is a direct outcome of the elimination of the Soviet veto, and we have no assurance that other powers will not emerge with inclinations toward vetoes in the future. To put all of our peacekeeping and security aspirations in the United Nations, as much as I welcome their improved effectiveness, is just plain shortsighted.

Now, that brings us to the United States and the role we have taken with respect to Yugoslavia. I was very critical of the speeches that were made and the observations we made as this problem began to gestate. I think we sent a signal, probably influenced somewhat by our concern about stability in the former Soviet Union, but which certainly told the Serbian-Marxist goons in Yugoslavia that they had carte blanche to take care of dissidents, and I think that was the wrong signal.

The time has come for the United States, first by attempting to lead a coalition of our European partners, to take very, very stringent and strong action; that could mean a lot of things, and in extremes, it may mean things that we Americans recoil from and that I personally do not favor at this juncture, because we haven't tried all the other alternatives.

When you reassure people that that is never going to happen, then you guarantee that they are going to take the steps that you

least want them to take, and that is what we have been doing. That is my observation.

Mr. SOZLARZ. What steps do you think can be taken, short of the use of force, that might induce Mr. Milosevic and his Serbian allies in Bosnia to cease and desist from this carnage? How would you respond to the argument that, as a practical matter, we don't have the political support which would be necessary to introduce force into a situation where hostilities would be likely?

If we were, for example, to threaten to bomb Belgrade or some other location, given the character of this conflict, ground forces would inevitably be necessary, and you know what the Balkans are like.

Mr. HAIG. First, let me say that I think it is a ludicrous thing that the United Nations peacekeeping force is driven out of the hotel and goes to the capital of the aggressor of Sarajevo. I think that is a very ludicrous situation.

Having said that, I think it is also very dangerous and a little bit irresponsible for an erstwhile former candidate for president, and now a budding author, to come here and lay out lines of forceful action which could risk further bloodshed with a lot of cheap speculation for which I have no accountability or responsibility.

Let me just say that I do not think we have done it right; I think a great deal more vigorous action has to be taken, so every forum that we operate in—NATO, the United Nations—unilaterally and bilaterally and collectively with nations who have—such as Germany, who have been more right than wrong on this subject—focus upon the issue for resolution.

U.S. POLICY TOWARD IRAQ

Mr. SOLARZ. Basically I share your views, Mr. Secretary.

What about Iraq? I am sure I don't have to tell you there is nothing more dangerous than a wounded beast. So long as this Mesopotamian megalomaniac remains in power, there is a potential threat to our own interests in the region.

Given everything that has happened and where we are today, what do you think can be done?

Mr. HAIG. Well, in the first place, I give the Bush administration the highest marks for their handling of the Iraq situation. First, they recognized the changes I talked about in my introductory remarks. They knew we had to move with a coalition. They got one with the United Nations, they got one with the Arab League, and that took some very adept diplomacy.

Secondly, the President understood that we have got to deal as a nation. So he used the bully pulpit and went to the people on the subject of Saddam Hussein and got the American people's support, thus overwhelming the opposition in the legislature. When I testified before the Senate Foreign Relations Committee in behalf of the position that the President took, I felt a little bit like a leper at a tea party.

Let me say, thirdly, the President did another thing, historically remarkable. That is, he decided if one ounce of precious American blood of our young men and women was to be shed on that desert

sand, that we were going to have all of the assets of the U.S. Government behind them, and that is what he did.

And finally, he let the military run the show, which I have learned over two conflicts in my lifetime, were the causes of our failures in North Vietnam and Korea.

Having said that, he took a dive in the 10th round, and that was a tragic misjudgment on my part.

Mr. SOLARZ. I think you mean on his part.

Mr. HAIG. Yes, on his part, and whoever advised him. I am trying to find out who that was, and I find the same murkiness that sometimes surrounds certain characters that I have known for too long in this administration.

But having said that, I think it is a very difficult thing to say, now we are going in there and clean this guy out. Obviously, one most important misjudgment was the misjudgment that the Iraqi military would rise up and throw Saddam Hussein out. An astute intelligence community probably would have concluded that it was more likely to have a Kurdish uprising or a Shiite uprising than it was a military counter-revolution.

What do we do? We have got to be extremely tough. If necessary, we may have to resume military action. I would certainly make it clear that we are willing and prepared to do that. I do not recommend it at this moment, because I do not think we have exhausted all other alternatives, but that may soon happen, and we have to be prepared.

Mr. SOLARZ. Mr. Chairman, if I may ask one final question?

Chairman FASCELL. Sure.

U.S. MILITARY PRESENCE IN EUROPE IN ASIA

Mr. SOLARZ. You say we should be prepared. Could you indicate whether you think we should be prepared to move unilaterally or only in the context of another coalition type of operation.

The real question I wanted to ask in conclusion, Mr. Secretary, concerns U.S. troop levels. Clearly you would like to see a continuing American military presence in Europe and in Asia, a view which I share. The real debate, I think, is over what the level of our deployment should be.

The administration is talking about 150,000 troops in Europe. Some people, who I think are fairly responsible, around here seem to feel we could bring it down to 100,000. A few have even spoken of 75,000.

Based on your role as a former head of NATO forces, what do you believe is the minimum troop level compatible with our interests for American forces in Europe? On a related subject, what would you consider to be the appropriate level for our strategic nuclear stockpile based on a doctrine of minimal deterrence. Assume this level is matched by comparable reductions in force levels in Russia and, if necessary, the other members of the nuclear club.

Mr. HAIG. First let me say it is important to remind ourselves that the success we had in Desert Storm was primarily the result of the availability of the European-based corps with its heavy forces. That is what made it possible. That corps is now gone. We have reduced our presence in Europe roughly 50 percent. And that

150,000 represents a mixed corps, American corps, with the logistics and the support and the air that is necessary to give that credibility.

I am not one that thinks 150,000, 140,000, 180,000, or 100,000 is necessarily some magic figure. I am always suspicious of it, and I am appalled that those up here on the Hill are spending their time nitpicking Dick Cheney on something that he knows a hell of a lot more about than they do, and I say that with great respect for the august Armed Services Committee of the House. For example, Mr. Aspin's latest threat assessments are simply a fundamental distortion of what I call geostrategic thinking.

They exclusively look at the threat. They integrate that threat, and then they say, we have so many forces we do not need; such as, we do not need any more ground forces in Korea, and we can go down to 50,000, 60,000, maybe 100,000 in Europe.

We all know the game. You have an obligation to nitpick the Pentagon, because they are not always right either. But I think I would stick with 150,000 until we see a resolution of some of the uncertainty, such as of Saddam Hussein, such as of Yugoslavia, such as the potential conflict in the Asian republics of the former Soviet Union, such as the unpredictable instability of Eastern Europe today and this process of democratization. I just would not be precipitous in the further reduction of our forces in Europe.

APPROPRIATE LEVEL FOR MINIMUM NUCLEAR DETERRENCE

On the nuclear question, the START agreement, we all celebrated in Kazakhstan's agreement with START. One thing we want to remember is there never was any particular advantage to having all of the nuclear weapons in the CIS centrally located in Russia. Why is that an easier problem to manage than a diverse basing in four other republics who are, in most instances, better willed with respect to historic memory and imperialism.

We now have Kazakhstan to go along with the reductions in START, and this is fine; and we are down to 5,000, 6,000 intercontinental warheads, and that is a very dramatic reduction. It is going to take years to do it; it has to be done very, very carefully, and we should never precede the power curve.

In other words, we should not destroy or eliminate or disarm until the Soviet Union, the former Soviet Union, the CIS, the four republics, does likewise. Until we have verifiable evidence that they have done likewise, this is going to be—it will be a 10-year process, in my view.

I very much welcome the circumstances we face today, and I think we can manage them. I think we can manage them by recognizing first and foremost that the republics of the CIS have learned something in recent months as they have become increasingly concerned about the Russian republic—whether it be the Ukraine, where the concern is very high, or Kazakhstan, where there are many Russians living in that republic, or even Belarus. They have learned that those nuclear weapons are power.

So we are going to have a delicate process to go through, not only to get their commitments, but to get them to implement those commitments, which may be a different thing than the commitment

itself. But I think we are on the right track; I think the levels of 5,000 are good for the first plateau.

Chairman FASCELL. Mr. Miller.

NATO AND YUGOSLAVIA

Mr. MILLER. Mr. Secretary, if we could take up where Congressman Solarz left off on Yugoslavia and NATO, I share your feelings on Yugoslavia or what once was Yugoslavia. But you made the comment that the situation in the Balkans today demonstrates why NATO should be an important part of U.S. policy. It should demonstrate it.

Unfortunately, NATO takes the position that they are just not going to engage in any activity outside the immediate borders of NATO. First they say, well, the Middle East, that is outside our sphere; and then along came the Balkans, that is outside the sphere.

I was at a North Atlantic Treaty Assembly meeting. I came away thinking that the only function that NATO sees for itself is to referee some potential conflict between NATO members, Germany and France. I mean, you know, they have defined NATO so narrowly it is hard to imagine what NATO is going to do.

I would like your comment on this. Is this a correct perception on my part? How do we change this, because otherwise, you are right about there being a NATO role in Yugoslavia, but it isn't functioning that way. One gets the impression that unless the United States is willing to lead and build ad hoc coalitions, as we did in the Gulf, that that is the only way there is going to be action.

Mr. HAIG. Well, I do not pretend to have the Holy Grail for you at all, Mr. Miller. I do suggest one thing: that, first, you never know how best to deal with these problems, unless you have the best advice of the most learned experts on these problems. I think they would tell you that, with respect to Europe and NATO and the Yugoslav question, it is a very mixed bag shaped by historic experience of various nation-states on the issue of self-determination and ethnic purity, et cetera, et cetera; and so you are into a number of very complex questions, which move against what has been a historic NATO bias against activity in the Third World.

While I was assigned to NATO, we worked on that very carefully. We did move the ball forward substantially from what was a total rejection of any discussion of it to an over-watching role. In other words, when we had a problem in the Middle East or elsewhere outside of NATO, the North Atlantic Council would discuss and coordinate. That coordination was spotty.

What I would suggest to you is that we have also had some other things in Europe, in our relationships with Europe, which are more than simply bilateral, such as this special relationship with Britain, and what has become a very special relationship with Germany. And that has to do with what we call the directorate, the nations with the clout. The smaller nations of NATO detest that term, and they do not like to even hear about it.

But the simple facts are, you have a Germany and you have a France and you have a Great Britain and perhaps, from time to

time, an Italy, who with the United States could decide many things. You see that in the economic councils of the world, too. That is one of the areas with which we should work.

As you recall, in the early hours of Yugoslav crisis, only Germany was an advocate for self-determination and the fracturing of Yugoslavia. The rest of Europe and the United States were on the other side—concerned about the Soviet Union, I am afraid, and their historic memories. So it left Germany to steamroll Europe on that issue, and that is what they did. Unfortunately, they haven't been successful enough in getting the horrors turned off.

I would say the United States could take a more active role in a directorate sense. The United States must say the right things in NATO, but not be too disappointed by the differences. That is another problem we have to learn in our dealing with democratic nations. When we stand here in the United States and publicly criticize democratic nations, such as Israel or other states that are pluralistic, the consequence of that public condemnation is to make it harder for those nations to do what we want them to do; and it is nothing but phony posturing.

When you deal with Europe on this question of Yugoslavia, it must be quietly, without public fanfare, in a very firm, active way; and I think we have need for more of that.

CONDITIONALITY IN FOREIGN AID PROGRAM

Mr. MILLER. Let me ask you, turning to another subject, foreign aid. Obviously, given your views and your statement and your background—and I assume your perspective is the same as this committee's, that foreign aid has a place in the U.S. array of tools that we use to exert our leadership in the world, and we hope in a constructive manner.

But I would like to ask you two specific questions. AID, the World Bank, are increasingly coming under attack—not just from isolationists; they are coming under attack because of the way foreign aid is administered and carried out—and I would be interested in your thoughts on whether there should be any structural reforms in foreign aid.

And the second part of the question is, looking at the developing nations—take, for example, Latin America—given the fading of the Soviet Union-Leninist threat, does this tell us that maybe when it comes to foreign assistance to these nations that we should be more assertive in requiring democratic policies, in return, than we were when, say, the regime in question was better than the terrible alternative, the Leninist alternative—you get the idea, yes.

Mr. HAIG. I think I probably asked for that question with my previous outrage in talking about public criticism of democratic—or pluralistic societies, not necessarily democratic.

I think we have to be very careful on the subject of conditionality, to answer your last question first. Conditionality, we worked pretty actively all through the decade of the 1980's, and I think in a self-defeating way in many instances, where our lending institutions demanded certain reforms before the compensation or the capitalization would flow.

The problem with that is that you can end up much like the Marxist conception that the central government can decide the economy of the nation better than a decentralized local administration. And I think we have learned that. When we try to dictate to states in evolution, we risk destabilizing the process; and that happened in some instances, and then ended up with reactionary forces becoming dominant in the face of our demands.

So I think it is a very delicate question; it requires the most careful analysis. A blanket policy is the worst policy. It's got to be selective and very definitive with respect to the target. I have no great observations that I could offer on AID or the World Bank or IMF or other multinational lending institutions. I think they have served a pretty good purpose over the years.

If there is any one observation I would make it is that, understandably, as the world has become more multipolar and assets have spread around, we Americans have not been insensitive to others picking up the load, and we have been a big pain in the neck. Our level of financial support, both in lending institutions and in AID, has diminished dramatically over a period of 10 years. The statistics are there. That always worries me, because we Americans live in a dialectic, we lurch from one set of extremes to another.

I would hope that we would maintain a good healthy level of foreign aid, continue to look at the lending institutions, but I do not find grounds for unusual criticism.

Chairman FASCELL. Mr. Murphy.

RESPONDING TO YUGOSLAVIA THROUGH THE NATO STRUCTURE

Mr. MURPHY. Thank you, Mr. Chairman. The only question I have on this—I see we have a roll call on so we will make this very brief, General—is back to Yugoslavia. The United States seems to have—our administration seems to have been more hesitant in condemning the Serbs and the central government than the European nations, and yet you seem, and some of us seem to be blaming the reluctance of European nations more, NATO, et cetera.

Don't you think that we can do more to bring about economic or political sanctions? Don't you think perhaps Europe is maybe weak, or our lead has been for the last 40 or 50 years?

Mr. HAIG. It is a delicate issue, because certain European countries feel very, very strongly about this situation, depending on their historic experience; and most of us are the product of that. So it is not that simple.

The administration having recently joined in the U.N. condemnation, has made some very vigorous statements, which I very much welcome, although I think they were a day late and a dollar short. I would just suggest this: I would go back to the major question and that is, remember, we must stay relevant in Europe, and that means our presence, that means our active participation; and the only vehicle that provides for that today—and we should be working on others—is the NATO structure. It is the only place where we have a formal participatory role.

Mr. MURPHY. Thank you. Thank you, General.

Chairman FASCELL. Well, Mr. Secretary, General, you have given us a lot to chew on in a very short period of time. I think you have made an outstanding contribution to the dialogue we have initiated in this committee. Hopefully, the word will spread so that we can strip a lot of the myths that surround our international relationships and the things that we have to do in the manner you have described so vividly here today. I want to thank you on behalf of the committee for making yourself available.

Mr. HAIG. Thank you, Mr. Chairman. It has been a great pleasure and honor to be with you again.

Chairman FASCELL. The committee stands adjourned subject to the call of the Chair.

[Whereupon, at 11:10 a.m., the committee was adjourned, subject to the call of the Chair.]

U.S. POST COLD WAR FOREIGN POLICY

THURSDAY, MAY 21, 1992

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The committee met, pursuant to call, at 10 a.m. in room 2172, Rayburn House Office Building, Hon. Dante B. Fascell (chairman of the committee) presiding.

Chairman FASCELL. The committee will come to order.

This is our fifth in a series of hearings on what U.S. foreign policy should be in this changing world of ours, particularly in the post-cold war era. We have heard from some distinguished Americans who were Secretaries of State, National Security Advisers, Secretaries of Defense, and this morning we have two distinguished Americans who are adding to this dialogue, who have got outstanding records of public service on behalf of their country. And we are pleased and honored to have them with us.

Let me start out by expressing the appreciation of myself and that of the committee for taking the time not only to appear, but to take the time to think through this process and to add your thoughts and comments to what we hope will be at least a beginning examination of this whole issue by talking to the people who have had the experience and the commitment and the dedication to serve their country as both of you have. So we are delighted to welcome two former Directors of Central Intelligence before us.

Mr. Gilman.

Mr. GILMAN. I just want to join with you, Mr. Chairman, in welcoming our distinguished panelists, Stansfield Turner and William Colby, both of whom have been very active since they have left public service. Stansfield Turner served at our military academy in West Point, instructing our young cadets about foreign policy and intelligence, and Mr. Colby has been very active in a number of other critical areas. We welcome them and we look forward to hearing their testimony.

Thank you, Mr. Chairman.

Chairman FASCELL. Mr. Solarz.

Mr. SOLARZ. Mr. Chairman, it is always a pleasure to be instructed by wise men in the complexities and challenges of the world. So I look forward to hearing what both of these distinguished Americans have to say.

Chairman FASCELL. Gentlemen, Admiral Turner, we will start with you, and if you have got a prepared statement and want to put it in the record, fine. If you want to proceed extemporaneously, fine, whichever way.

STATEMENT OF HON. STANSFIELD TURNER, FORMER DIRECTOR OF CENTRAL INTELLIGENCE

Admiral TURNER. Thank you, Mr. Chairman.

I would prefer to make some remarks, as I don't have the full text of my statement with me.

Chairman FASCELL. Well, if you want to, you can prepare text later and we will put it in the record. But please go right ahead.

Admiral TURNER. Thank you, sir. You have asked us to deal with five specific questions concerning the external and internal threats facing this country, and how our government might better organize to deal with them.

PRINCIPAL EXTERNAL THREATS

I would like to start by outlining what I think are the three principal external threats. The first is our economic competitiveness in an international market. If we don't maintain that competitive position, we could end up in a decade or two in a position similar to that of the former Soviet Union, a strong military power with an inadequate economic foundation.

The second internal threat, I believe, is the diminishing respect for the United States around the world. If we do not sustain high respect, we are not going to sustain the leadership role that we play today, that we should play, and that the world needs us to play.

Thirdly, of course, there are military threats out there; they are rather limited today. The only one I see that is truly vital to this country is a possible renewed threat to the Persian Gulf and the flow of oil from it.

That is not to say there will not possibly be other areas of the world where we consider that we have such interests that we will use military force in the future, for instance, the integrity of Israel or South Korea where we have made deep commitments over the years. But I think the gulf is probably the one that only truly endangers the well-being of this country.

Our greatest problems, ironically, in dealing with all three of these external threats, it seems to me, are internal. It is a little like the old cartoon of Pogo: "We have met the enemy and they is us." What I am suggesting, sir, is that economic competitiveness, for instance, is primarily a matter for our internal business community. I think the business community is gearing up for it and will do the job. But government can help here also, without crossing the line of an industrial policy, without directing the business community, it can help the business community.

For instance, our intelligence community can produce four forms of economic intelligence that can be helpful. The first is counterintelligence, preventing foreign countries or corporations from spying on ours. The second is detecting evasions of agreements that we make in the trade area. These are capabilities that the Central Intelligence Agency has and can exercise.

INTELLIGENCE COMMUNITY ROLE

Beyond that, there are two other forms of intelligence that other agencies of the government can help with equally well: the State

Department, Commerce Department, Treasury, Energy, the Drug Enforcement agency. These are, first of all, involved in discerning and interpreting trends in the world marketplace. Where is technology going? Where are markets growing? Where are they diminishing? What countries are likely to be able to generate hard currency? Where is productive capacity being built? Where are other nations investing and divesting and so forth?

And fourthly, that kind of information can be carried to specific industries. Where is steel production capacity growing and where is it not?

Overall, this kind of information can be unclassified. It can be disseminated widely to American business, and American businessmen can decide whether they want to accept it or reject it. It is a purely voluntary matter. But it is difficult for other than the largest U.S. corporations to collect this kind of broad information, interpret it, and use it.

So we need to reorganize our intelligence community in order to take advantage of this opportunity. I would like to come back to that in a minute, and first move on to how we improve respect for the United States overseas.

FREE ENTERPRISE AND DEMOCRACY

We must appreciate that we are witnessing today a worldwide revolution not in the demise of Communism, but in the ascendancy of free enterprise and democracy. Even before the Berlin Wall came down, much of Asia, Latin America, and Africa was turning in these directions, directions which the United States trailblazed for the world.

That means our model is going to continue to be important for the world. But that model depends on our domestic well-being: Are our democratic constitutions strong? Do the people vote? Do we care? Is the quality of life good in this country? Do we have justice, quality, educational opportunity, compassion for those who are underprivileged?

I think we could better organize the executive branch to bring the quality of life in this country onto a par with national defense in terms of the attention it receives. The White House might well develop a domestic quality council just as we have a National Security Council, that could help weigh the various programs on the domestic side as to their importance as the National Security Council weighs the differences between foreign aid, diplomacy, military expenditures.

MILITARY THREATS

Thirdly, looking at the military threats, even this has a large domestic component, in my view. The amount that we choose to spend on defense is going to be very important; first of all, to be sure we have sufficient military support, but secondly, to be sure we don't have too much, because excess spending on defense in effect is going to come out of domestic programs, because you know far better than I how much of the discretionary portion of the Federal budget resides in the Defense Department.

Specifically in answer to one of your questions, I would not use the seven scenarios suggested recently by the Defense Department as a way of sizing the defense budget. After all, I understand that the Pentagon has to look at specific scenarios for short-term planning. But for budgeting and long-term planning, I think we should look at a broader set of categories for which our military should be preparing, remembering that we have never been good at predicting scenarios. We didn't predict Korea, Vietnam, rescue operations, and so forth. And the world out there today is much more uncertain than it was during the cold war.

But we can forecast the kinds of wars in which this country might be engaged in the future by looking at the historical record. First, there is nuclear deterrence. Even if we and the former Soviet Union States agree to major reductions in nuclear weapons, this has got to remain a substantial threat, and we have to be prepared for it.

Secondly, there are the large conventional contingencies. We have just been through one, in which over 400,000 American troops were employed.

Thirdly, there are small conventional contingencies. In the last 10 years we have conducted two invasions, Panama and Grenada.

And fourth and finally, there is what is termed low-intensity warfare. For instance, in 1970, 1975 and 1980 we conducted military rescue operations. In 1983 and 1986, we conducted small bombing operations.

Now, please note that in this list of four missions for which our military should be prepared, I have not included Europe. The fact that Europe is indirectly included in the list of seven from the Pentagon tells us how difficult it is going to be to suppress that traditional urge in the military.

For 47 years the focus on Europe, however, in our Defense Department has obscured concern for other conventional scenarios. The assumption was that if we can handle the big one in Europe, we can handle almost anything else. That didn't prove to be true.

To avoid repetition of that error, I think we could better organize the Pentagon. We should organize it along these four mission lines, so there is someone responsible for each of these. If not, I would predict that the large contingencies will grow to dominate just as Europe grew to dominate. That is where the sophisticated, sexy weaponry is. That is where the most resources will be. And the temptation will be again to assume that if we can handle the large contingencies, why, the others will fall into place. And that, again, may not be the case because of unique requirements for smaller contingencies.

The Congress could also help here, Mr. Chairman, if it demanded that the Defense Department present a budget to the Congress in these mission categories, so that you could see where the money was going and what it was going for. That would not necessarily mean you did not also receive the budget in the traditional categories that the Congress seems to prefer. But if the Defense Department were required to present it in mission categories, I think it would do a great deal to begin to tie strategy to budgets.

NEED FOR BETTER INTELLIGENCE

Finally, in all of these categories, we are going to need better intelligence, and I think we need to reorganize for that purpose, or we are not going to be able to balance the requirements of military, economics, and respect for this country.

There are two problems in the intelligence community. The first is that it is largely in the grip of the military. Secondly, there is inadequate central direction.

The secret of modern intelligence, both collection and interpretation, is good teamwork. The National Security Act of 1947 deliberately established a Defense Department and an intelligence community with weak leadership. Three times since then, this Congress has strengthened the hand of the Secretary of Defense, in 1949 and 1958 and 1986. Never has the Congress done that for the Director of Central Intelligence.

Now, I understand the importance of good intelligence to military operations. I think I also understand the importance of good intelligence to national purposes. And I think the creation, as proposed in the McCurdy-Boren bills that are before this Congress, to create a director of national intelligence to adjudicate what is important for this country to do in the world of intelligence, between these three areas of economic competitiveness, respect for this country, and military preparedness, is a very important move that I hope the Congress will take.

Thank you, sir.

[The prepared statement of Admiral Turner appears at the conclusion of the hearings.]

Chairman FASCELL. Admiral, thank you very much, not only for the overview but the specific suggestions, one of which I find—well, they are all intriguing. One of them in particular stands out.

Mr. Colby.

STATEMENT OF HON. WILLIAM COLBY, FORMER DIRECTOR OF
CENTRAL INTELLIGENCE

Mr. COLBY. Thank you, Mr. Chairman.

I have submitted a text of my remarks, but I will just summarize them here for you.

Chairman FASCELL. Without objection, we will include the entire text in the record.

Mr. COLBY. Thank you, Mr. Chairman.

It is a pleasure to participate in this national intelligence estimate process that you have started, and I think you have accomplished an enormous amount already by focusing attention on this subject.

REDEFINITION OF "NATIONAL SECURITY"

I think the first priority we have to face, Mr. Chairman, at the end of the cold war is the redefinition of the words "national security." Up until now it has been military security, and for good reason. When we faced 25,000 nuclear warheads aimed at our country, obviously that was the major charge. But the fact is there are other threats to the safety and welfare of our people.

I think a measure of this can be seen by the fact that over the final years of the cold war, we humans worldwide spent \$1 trillion each year on military forces and weapons. The interesting part, however, is how that is divided up. About 30 percent by the Soviet Union, about 30 percent by the Americans, and about 20 percent by our NATO and Warsaw Pact allies. In other words, about \$800 billion of that trillion was basically aimed at the cold war. Not entirely, but basically.

Now, the cold war is clearly over, and there is no justification for that kind of expenditure at this stage. With the fact that the Soviet forces are 500 miles further East, except for a few remnants selling their overcoats and their insignia before they can go home and look for a house to live in, things of that nature, but at the same time our citizens today are under many direct threats.

One is in our center cities, as we have recently seen in Los Angeles. One is a threat to an entire generation of our youth, and a new plague called AIDS. There are a number of these other kinds of threats that are much more immediate than the prospect of military force.

Therefore, I have recommended, and testified in the Senate Appropriations Committee, that truly we could save approximately half of our defense budget by 1997. And I didn't come to that decision lightly. I looked at the force levels necessary and I took as the marker a very convenient recent marker, the Gulf War.

In the Gulf War we sent 540,000 of our young men and women to the gulf. About 115,000 of them were Reserves and National Guard. The remainder constituted about 20 percent of our total regular forces.

Now, the question is, could we not do that kind of a job if necessary with about 40 percent of a smaller force? And the answer is clearly yes. You can work it out in divisions and carrier task forces, all the rest, and achieve major reductions. And incidentally, major reductions in the problem of nuclear deterrence.

I don't think we are going to get rid of these things for a long time, but if we get back to a policy of minimum deterrence, then I think we have a policy that we can then structure a reasonable amount on, and not continue this insane situation we have been in of threatening not only ourselves and the Soviet Union but life on earth, with the 50,000 nuclear warheads we have developed over these years.

I think that is a high priority for our national security, to reduce the threats against us by using our assets more appropriately. How many of those good sergeants and petty officers would make fabulous teachers' aides, would make wonderful police auxiliaries, role models in our center cities? They would be sensational. Should they be paid? Yes. Should they be transferred for that? Yes. Should they retain their retirement rights? Yes.

That is a proposal in the Congress today. And it deserves full attention as part of our national security, it seems to me.

PAX AMERICANA

Now, the second aspect of thinking about our situation in the world, certainly the United States should and I think will remain

the leader. I don't say a leader; it is the leader. But at the same time, on our relations with the rest of the world, we should not try to impose a Pax Americana. We should not propose ourselves as the sole superpower, as one proposal has suggested. We have to work through the international institutions, the United Nations and all the rest of it. In fact, we have done so very effectively lately. In the Gulf War and the Haiti situation and so forth, we are working through these other institutions and still, however, providing much of the leadership involved.

That doesn't mean we should never contemplate operating independently. If we get frustrated and nobody else will do it and it is necessary, yes, we need to. If it is necessary to go beyond peaceful sanctions, economic, political, diplomatic, and so forth, to the use of force, yes, we should be prepared to do it.

But we would, under my proposal for a reduced budget, have plenty of forces to do that kind of work. There is no question about it.

You asked about the Pentagon's scenarios—which I hasten to say they have not officially approved, they just sort of leaked out—and they are quite obviously quite fanciful, there is no question about it. The United States is not going to get into a fight between Lithuania and Russia, or between Russia and the Ukraine. We are just not going to do it. We are going to stand on the outside and do what we can. So that particular phobia we can set aside.

A Gulf War, yes, is possible, as the Admiral said, but I think aggression has a certain bad name after the experience of last year. And the temptation of Iran to take over those rich and weak Gulf States is considerably less than it was before Iraq suffered such a beating in the effort they made.

The other scenarios are all minor problems. The Philippines, all that sort of thing.

We now have a special operations command which is superbly organized and equipped, and this is one of those things that the Congress imposed. They imposed a separate budgeting and management system on the special operations command, so that it could have its own resources and not beg for resources from the services, as it always had in the past. And this command is active almost every day of the week.

The commander told me that they have had something like a thousand operations in the last couple of years. They are tiny little things that you don't hear about, but they are rescues, they are all sorts of little things that are necessary, assistance to build up defensive forces in some of our friendly countries, things of this nature, that make all the sense in the world as foreign policy as low key, low level involvement for considerable good beyond the resources involved.

ECONOMIC CHALLENGES

The other aspects, I think, of the world we face, obviously economics is going to dominate. Economic intelligence is a part of it. But, let's face it. Most of the challenges to intelligence in these next years, big ones, are going to be analytical.

Mr. Yeltsin doesn't have a secret plan for where he is going to take the Soviet Union. He is working his way through the politics, the economics, the sociology of the problem. And it is the analyst, and I am glad to say that Mr. Gates now represents, finally, the analyst arriving at the center of central intelligence, because his background is in analysis, and I think this is a symbolic move of considerable importance in the intelligence community. All the previous people with intelligence experience were on the operations side, among which I count myself and various others. So the analytical challenge is going to be very much with us. And that is the major focus.

There can be savings in the intelligence budget as well. Now that we don't have to sit here and quiver as to whether the Red Army is going to break out of the Fulda Gap at 4 tomorrow morning, we can cut down a lot of the highly expensive technology, the huge vacuum cleaners of electronic collectors that we had and usefully had until last year, because they don't really relate to the problems that we have. We can have more officers studying Arabic and fewer studying Polish because we can depend on the Poles themselves to tell us what is going on, in the press and the rest of it. This is a different kind of a world that we are in.

One thought about the intelligence side, you asked about the organizational aspect. I have testified on this to the House Intelligence Committee. I have said I am not passionate about wiring diagrams and government structures. As the Admiral said, Teamwork is the key element of the whole thing.

The one thing I was fearful about, the idea of a director of national intelligence, was he might just become another one of those czars in the halls of the White House without an organizational base. But Mr. McCurdy's recommendation has him bringing along the analytical staff of CIA, so that it gives him a substantive base with which to operate, and that relieved that concern.

At the same time, I do not agree that the analytical functions should be taken away from the other services. My experience is that if you took them away and centralize them, they would set up research bureaus the next day to do the same thing, because they need to have it done, no question about it.

Intelligence as a whole will decline in volume as a result of the decline of our military forces, if you follow my—obviously, all the tactical intelligence units, and there are a lot of them, will decline correspondingly to the decline of the regular forces.

I think that the economic aspect, then, will be more and more our problem. I think we are going to have to look at problems of economics. It is probably more important to our citizens today whether the GATT negotiations and the NAFTA succeed, than whether we face some particular military problem in Central Asia or someplace. It is a lot more directly important to their future, to their future safety and welfare, that these major economic steps, the major economic organizations and cooperation work effectively.

CONGRESS' ROLE

One thought, Mr. Chairman, in this connection is whether the Congress could help this process, by a new organization of the com-

mittee system, which for years, as you know, has really pretty well barred trade-offs between military expenditures and necessary foreign assistance or foreign policy programs. You can't put the dollars in the same box and pull out the most important one. You can't tell whether it is more important to help some struggling ally against a terrible internal problem or to buy a new cruiser, because they are in two different committees and two different places.

My thought is, would it be possible to set up, not the old national security committee that we tried many years ago, but maybe a new international affairs committee with subcommittees for foreign policy, foreign assistance, and military activities. They are all a part of international affairs. Then you begin to get the trade-offs. That is probably too big a committee, but I think that some look at the current committee system deserves consideration.

The United States, whether we should go isolationist, absolutely not. We tried that after World War I. It was a disaster. After World War II we decided to engage, to help build our former enemies, and ironically they are the two richest countries in the world today. But we are an awful lot better off with them as economic competitors than as military enemies.

REBUILDING SOVIET REPUBLICS

Today our former enemy, the Soviet Union, of the cold war, lies in ruins, and I, for one, think President Nixon did a wonderful service for us all by pushing the government into moving ahead with a program to help rebuild the Republics of the Soviet Union. I think this is a very important, high priority program. It deserves a considerable portion of our former defense budget.

And the interesting thing about it in this new world that we have is that we don't have to do it ourselves. It is not a Marshall Plan paid for by the United States. There is lots of money out there that can be rallied to use for these purposes.

The Gulf War, again, is a good example. That cost us about \$60 billion. We have \$53 billion in pledges to help pay for it. That shows you the kind of money that is around the world available for matters of great international importance.

And I think bringing the former Soviet Republics into the modern world is a very high priority. It doesn't cost much money, because it is just some humanitarian help, some technical assistance, some infrastructure building, and then get out of the way, because then you will see people wanting to exploit the huge resources, the intelligent, well-educated public, working forces there, the excellent scientists and engineers, and the enormous market to which we can sell products.

How many telephones could you sell to the former Soviet Union in the next 20 years? Millions, 100 million, 200 million, probably, to get them up to any level. It shows you what is potentially there. It is not going to happen tomorrow, but it is certainly worth working on.

I think those are the main points I have, Mr. Chairman. I think you, again, deserve great credit for this exercise of looking at our policy in a larger sense at the end of the cold war. We are almost

at the end of a century. We are at the end of a millennium. And the question is whether we can start this new century and new millennium in a direction that takes advantage of all of the advantages we have had.

We have had a terrible century. We have killed at least 100 million of our fellow humans in this century. Let's look ahead to a new one. Technology offers the possibility of new green revolutions, new technological changes, reduction of population. All of that is happening, thanks to technology. But let's put our research and development into that rather than better ways of killing people. Because that is where we have put about 60 percent of our R&D these last years. Can't we put that kind of money where we really need it for this next century?

Thank you very much.

[The prepared statement of Mr. Colby appears at the conclusion of the hearings.]

NEED FOR REALLOCATION OF RESOURCES

Chairman FASCELL. Well, Mr. Colby, that is certainly the \$64 question. I want to thank you for the analysis, and I also appreciate some of the philosophy that is woven through your remarks.

I can't help but agree with you personally. And where that dividing line is is very difficult, and as a matter of fact, it is downright maddening. I want to tell you a little story about how difficult it is, and we all know it, but I think it might be appropriate for the record. When I was chairman of the Subcommittee on Inter-American Affairs, we faced this problem with Latin America. We couldn't understand why everybody wanted the latest tank, airplane, uniform, and we looked around and found they were spending about 2 percent of their Gross National Product on just maintaining a military establishment. Nothing wrong with that, of course. Every country is entitled to protect its sovereignty. They can't all go the route of Costa Rica.

But we thought we ought to do something about that, if we could. And in the examination of that, we found out the United States was the number one supplier. We thought, well, we have got to be competitive, we can't do this by ourselves, but let's see if we can't slow it down a little bit.

So we did. And in 1 year, by legislation, we put a cap on sales and assistance, et cetera. In 1 year we went from number one to number six. And at the end of that year, they were still spending 2 percent of their Gross National Product on military equipment. So we got something in front of us.

Spending \$800 billion on defense between three units in the world and the whole world spending \$1 trillion, and in a philosophical sense, if we had done that for education and housing and other things, the world would be better off.

Here we are with how many undeclared wars in the world as of right this minute? I don't know. It is a penchant for mankind. I don't know what it is. It must be genetic.

But anyway, the point you make is valid. We need to work on that. We can't do it unilaterally, however. That is the problem. So

we have got to use our talent, our talent, and we have got talent, to get as many other people involved in this process.

Somebody put it in testimony before this committee that, I can't remember who it was, who said, we can't continue to be the superpower. We have got to go from that to partnership, which is not easy to do. Not easy to do at all.

Steve.

Mr. SOLARZ. Thank you very much, Mr. Chairman.

I think he said from predominance to partnership.

Chairman FASCELL. That was it. I knew I was close.

LEVEL OF SPENDING ON INTELLIGENCE

Mr. SOLARZ. I do have a number of questions here. First of all, you both obviously had considerable experience in the intelligence community. Now that the cold war is over, do you think that the overall size of the budget for the intelligence community should be going down as much as we are reducing the defense budget by, or should it be kept more or less constant or perhaps even increased? In sort of macro terms, what do you think we should be doing with the level of our spending on intelligence?

Admiral TURNER. I am in favor of remaining close to what we have today on the theory that this is an information age, and the more good information we collect for our policymakers, the better. I cannot predict to you, sir, what information that we collect in the next decade is going to be most useful to our government. But we ought to have it.

Mr. SOLARZ. How would you respond, then, to those who say that x percentage of the intelligence budget was clearly driven by cold war collection requirements, which have largely diminished, if not been completely eliminated, and presumably you could take that amount of resources and either totally eliminate it or substantially reduce it.

Admiral TURNER. Well, that assumes, though, that there is nothing replacing that, that the emphasis on economic intelligence doesn't require more assets, and that you are still going to have arms control requirements that maybe get even more demanding in terms of the precision. You must know about the other person's military outfit. You could be a little facetious and say, instead of having one political entity, we have got 15 over there. And it really is an issue, because I don't think the CIA or anybody understands Kirgizstan or Uzbekistan or these other things we are going to have to learn about.

I won't bleed over some cuts, but I don't think it is an area for a major cut.

Mr. SOLARZ. Do you more or less share that view, Mr. Colby?

Mr. COLBY. No, I don't. The way you pose it, to cut it the way we are cutting the defense budget, that is nothing. The administration's proposal for the defense budget is to have it stay almost where it is over the next 5 years. They say it is going to save \$50 billion in 5 years. That is \$10 billion a year. That is almost a nothing, I mean, frankly.

So, no, I think there could be substantial reductions. I am not prepared to discuss them in detail because I don't know what the

expenditures are today. But I just take large blocks. A large amount of the intelligence money is devoted to high-tech machinery. The satellites, they are superb, all that sort of thing. I don't know how many there are, I don't know what they do these days, but most of them were focused on the cold war problem, and those can be saved.

There are other things, like I mentioned, the huge vacuum cleaner of electronic collection we have got going. We don't need that much. We need some. We need a periodic look, a crosscheck, but we can rebuild if necessary fairly rapidly, and I think the major problems are analytical, which are cheap, and they don't cost much. So I would say a very substantial reduction is possible.

CONFLICT IN BOSNIA AND CROATIA

Mr. SOLARZ. What do you think we should be doing about the kind of problem that we now see in Bosnia, and which we had seen in Croatia? Does it call for a response that goes beyond the sort of limited rhetorical expressions of unhappiness and the recall of our ambassador? What would you recommend?

Mr. COLBY. Well, I think up to date we have said it is primarily a European problem, and they haven't done very much about it, frankly. They have been a little bit tied up themselves. We have not taken a leading position in their backyard, you might say.

Can we have a more vigorous leading position? You know, believe it or not there are Russian troops in Yugoslavia today. They have been trying to get there for 40 years. And they are there under U.N. auspices. The United States refused to send troops to help in peacekeeping. Was this a symbolic washing of our hands, or should we be engaged in that form, through an international effort?

Mr. SOLARZ. That is my question.

Mr. COLBY. Yes, I think we should play a leading role.

Mr. SOLARZ. The real question is how far we ought to be prepared to go to attempt to bring an end to the kind of slaughter which is going on in the efforts by Milosevic's marauders to carve out a greater Serbia. Do we limit ourselves to diplomatic efforts? Do we try to cut off their oil? Or do we go so far as support for a peace-making mission where we would be prepared with other countries to use force to try to bring an end to this fighting?

Mr. COLBY. We did it for the Kurds. Sort of partially, but nonetheless we did. We said no air flights.

Mr. SOLARZ. We grounded fixed-wing aircraft. We didn't ground helicopters. We didn't insist——

Mr. COLBY. But in other words, can we engage? Yes. The military will do whatever you tell them to and they will do it well.

Mr. SOLARZ. The question is, do we have a sufficient interest in attempting to go as far as the use of force to bring this to an end, or would we be waist deep in the mud?

Mr. COLBY. If we do not have a sufficient interest to do it unilaterally, we do have a sufficient interest to participate in a multilateral effort.

Mr. SOLARZ. Admiral.

Admiral TURNER. I generally agree with Bill on this. I think we have three measures in any of these contingencies. Is it vital to the United States? No, in this case. Do we have a humanitarian interest here? Yes. Do we have an obligation here for some reason, historically? No.

So I would be very cautious about moving here, unless—militarily, unless we go in with a United Nations force where the world is demanding this and we would like to participate.

IRAQ'S NUCLEAR WEAPONS

Mr. SOLARZ. Could you advise us about what appears to be a conflict in the assessment of how far along Saddam's nuclear weapons program was. Testifying before this committee a month or two ago, Mr. Gates said that he was now convinced that had we not gone to war when we did, based on what we have learned subsequently, Iraq would have had nuclear weapons by now.

I noticed the other day the IAEA convened some kind of conference of nuclear experts and they seem to have come to the conclusion that Iraq was 3 to 5 years away from actually getting nuclear weapons. This is obviously a significant difference of opinion.

Based on your experience, do you have any thoughts about how we might try to go about resolving this? Because it is a judgment that does have some implications, I think, for what happened in the past and what we might want to do in the future.

Chairman FASCELL. Steve, why don't we take a break right now and go vote. We will come right back, so we can conclude this and they can cogitate on that conundrum.

Mr. SOLARZ. We can send both of you to Baghdad to resolve it.

Admiral TURNER. Thanks.

[Recess.]

Mr. SOLARZ. Gentlemen, you may recall I had asked how we might go about reconciling these conflicting assessments.

Mr. COLBY. I think you look at the time the various assessments were given. The first one was the more or less agreed understanding that they were 4 years or so away from a bomb. That was the consideration, say, a year or so ago or more.

In the intelligence business, we probably did the best we could to come up with that estimate. Then you had the visits into Baghdad, and the discovery that they were working three or four different systems of trying to build a bomb, including some that were really kind of foolish to do, but nonetheless they were working on it.

We also learned that they were managing to get ahold of some critical materials from various parts of the world. I suspect that led to the updated assessment which says they were closer than we thought.

Now you have the IAEA coming up with what amounts to our original estimate, that they were 3 or 4 years away. The question is, what is that based on? I don't know. The experts were there, but I don't know what information they were basing themselves on. But presumably they were basing themselves on—including the material that after they got a look, they could say, yes, they are doing these things, but they weren't that far.

That estimate would be taken into account by our analysts saying, Whoops, maybe we were wrong, they weren't that close. That is an explanation of what happened.

Admiral TURNER. As to what you can do, it seems to me, from your position on the Intelligence Committee, is to have them probe into it and try to get to the bottom of what is the IAEA saying and what is the CIA saying.

DEFENSE BUDGET LEVELS

Mr. SOLARZ. You have both spoken about the need for reductions in the defense budget, although I gather Mr. Colby would favor probably larger reductions than Admiral Turner. I would like to ask each of you what you believe would be the appropriate level for American forces in both Europe and Asia under existing circumstances.

How large a residual force do you think we should leave behind? I assume neither of you think we should withdraw entirely. The real debate is over what that force level should be.

As you know, General Galvin and the administration talk about the need for a residual force of about 100,000 in Europe. General Galvin says if we are going to be in, we need to be there in a credible posture. That requires a corps, which is two divisions. You add in support forces and a couple of air wings, which you really should have in case there is a military contingency, and he gets up close to 150,000 troops with that kind of analysis. A lot of others say 75,000 or 100,000 would be OK. I would like your views on that.

As for the Asian contingency, I would like your thoughts on what the appropriate level for our forces should be in both Korea and Japan, assume both a satisfactory resolution of the North Korean nuclear problem, and an unsatisfactory resolution, where we come to the conclusion they still have a clandestine nuclear weapons program north of the 38th parallel.

Admiral TURNER. I would suggest a figure closer to 50,000 for Europe, one operational unit for each of the Air Force and the Army, a division and a wing. Not because we need to have a force there for combat, but we need a force there that will participate in exercises with the Europeans on a meaningful basis, and therefore help maintain a high standard of readiness in the European Community.

Do you want to take up Europe with Bill first, and then go to Asia?

Mr. SOLARZ. Why don't we do that.

Mr. COLBY. I would say what amounts to a token force, a token of our continued engagement, but really a minimum.

Mr. SOLARZ. So you are both thinking of one division rather than two?

Mr. COLBY. Maximum.

Mr. SOLARZ. Let me ask you to look at it from this perspective. Let's say we begin by deciding, as I think we should, how many divisions we need to begin with. The administration's base force concept talks about 12 divisions, down from 18. Do you folks think less divisions are needed?

Mr. COLBY. Mine says 10, Army.

Mr. SOLARZ. Let's say 10 Army divisions. Once you have 10 Army divisions, then the next question is, where do you employ them? My impression is you don't save much by deploying the divisions here rather than over there.

In other words, if you had 10 divisions, what is wrong with deploying two in Europe, particularly if much of the costs of maintaining them are picked up by our allies over there, and there are not any significant savings to be achieved by deploying them over here?

Mr. COLBY. I think there are efficiencies to be gained by deploying them here. They are more available to move to various parts of the world without discussing it with other countries. You can keep your training much more vigorous rather than in the very confined areas available in Europe. Those are very limited areas for maneuvering and training, and we have large areas we can use.

And there is more flexibility. The supply problem is a lot easier. Nearness to depots and that sort of thing.

U.S. MILITARY PRESENCE IN EUROPE

Admiral TURNER. I go back to the fundamentals. The *raison d'être* for NATO has disappeared. NATO in time will just atrophy out of business. Our being there is an unnatural situation. The American public will not really tolerate it over a long period of time. I don't think the Europeans will want us there in the long run. And the reason they claim they want us there is to keep a hold on Germany for them.

The longer we are there in a larger force, the more they will count on us as the ones who will control Germany whereas they are the ones who will have to do that.

Mr. SOLARZ. If you felt our European allies wanted us to maintain a larger force than you are talking about, would you feel any differently?

Admiral TURNER. No, because I would think they would want it for their own reasons, containing Germany, not defending Western Europe.

Mr. SOLARZ. Both of you would be opposed to a total withdrawal of our forces from Europe, for the time being?

Mr. COLBY. Right. I would be.

Admiral TURNER. I am not terribly opposed to it, but I think it is an impractical suggestion at this time. In a decade they will be gone, I think.

Chairman FASCELL. Will you yield just for a moment?

I think it is a very fundamental question that we are going to have to answer, whether it goes all the way, as Admiral Turner has suggested here, or it goes somewhere in between, remains to be seen. There are a lot of forces at work, and I say that only having come back from a meeting of parliamentarians of the North Atlantic Assembly, where this matter was obviously the issue on the table, how far would it go.

The interesting question, since we are playing what-if here, is this. If we keep 100,000 or 150,000 or 75,000 troops in Europe, and supposing we don't keep them in Germany, can't keep them in France, the Brits I don't think would allow us back on their soil by

now, now, you know, the possibilities are limiting and intriguing. I mean, do we take them out of Germany, or——

Mr. COLBY. I think they ought to stay in Germany if they stay anywhere. As you say, the practicalities of getting them anywhere else are very, very difficult. And again, if you have a minimum force, you are not that much burden to the Germans. You may have some air facilities in Italy or Britain or whatever.

Chairman FASCELL. But you see that the key to this, if there is a key at all, is that they stay in Germany? Both of you feel that way?

Admiral TURNER. Yes, sir.

Chairman FASCELL. Thank you, Steve.

Mr. SOLARZ. I think the Poles would be happy to have us, Mr. Chairman.

Admiral TURNER. Nice base systems to move right into.

Mr. SOLARZ. Yes.

What about Asia?

U.S. FORCES IN KOREA

Admiral TURNER. My feeling is we ought to pull out of Korea regardless of the North Korean nuclear situation, that we can't pull out of Japan because we don't want to encourage Japan to rearm. So we would leave roughly the kind of forces we have there.

Mr. SOLARZ. Why do you think we should pull out of Korea?

Admiral TURNER. I think the Koreans can handle it on their own at this point. We are down to pretty much a token force already.

Mr. SOLARZ. Mr. Colby.

Mr. COLBY. I am a believer in the "if it ain't broke it, don't fix it" school. The minimum force we have had in Korea all of these years has done a job of deterrence very well, and I think it can make a contribution to continuing to deter that crazy fellow up north.

Mr. SOLARZ. I must say, I am inclined to agree with you on this one. We clearly have interests in preventing another war on the Korean peninsula. Our forces there clearly contribute to deterrence. It may be if you pulled them out there wouldn't be a war, but of course we don't know.

I do think it is related to the North Korean nuclear weapons program, because if we conclude that what they are engaged in is essentially a ruse, a diversion, and then they continue, this poses significant implications for the possibility of conventional war. If the North succeeds in getting nuclear weapons, it might conclude it now has an insurance policy, a sort of fail-safe mechanism, where it could launch a surprise conventional attack, hoping to achieve a breakthrough and a quick success; and if it doesn't, it could then insist on a cease-fire on its own terms, by threatening to use nuclear weapons if we didn't agree. So in that sense a North Korean nuclear capability could actually increase the possibilities of a conventional war.

If, on top of that, they conclude our withdrawal means we are not prepared to fight for South Korea, the incentives for war increase. I don't know whether it increases 10 percent, 20 percent, or 50 percent, but if it increases at all, why take the risk?

Admiral TURNER. You have the other side of the story, that is that it may encourage a peaceful settlement of the situation if we are not there.

Mr. COLBY. I don't trust either the great or the dear leader. As long as they are there, they are the nuclear leader. As long as those two are around, I think some participation and deterrence is very important.

MINIMAL NUCLEAR DETERRENCE

Mr. SOLARZ. Tell me, Mr. Colby, and perhaps also Admiral Turner if you share his view, if you define minimal nuclear deterrence as, say, a strategic stockpile of a thousand weapons.

Mr. COLBY. I would say well less than that. But anyway, go ahead.

Mr. SOLARZ. What would you say?

Mr. COLBY. I go back to President Carter's question. If our purpose is deterrence, why do we need more than 200 or 300?

Mr. SOLARZ. I assume you are basing that on mutuality.

Mr. COLBY. Yes.

Mr. SOLARZ. Let's assume we can get an agreement.

Mr. COLBY. Not entirely on mutuality, either. This business that we have to have the same number that they do is really ridiculous. Minimum deterrence is enough to deter.

Mr. SOLARZ. You presume we would want some rough mutuality.

Mr. COLBY. I don't want to get the world into another situation where there are 25,000 of them. I think we are very fortunate to have gotten through this past 40 years.

Mr. SOLARZ. As long as we have them, we want to make sure they are survivable so we can in fact preserve the deterrent.

Let's take your level of 200 to 300, or even 1,000. Tell me what the benefits are of going down to that level as distinguished from where we will be at the conclusion of START, which I think is around 5,000 or 6,000. What is the minimum?

Mr. COLBY. Five thousand strategic—you have to consider that—if you have a weapon, you have to consider what is going to happen if it is used. You don't just build it for the fun of it or under some philosophy that this will never happen. Because if it is there, it can be used. Five thousand nuclear warheads would destroy this country. Period.

Mr. SOLARZ. Would a few hundred?

Mr. COLBY. No, it wouldn't totally destroy. We have lost two cities to nuclear weapons. Nagasaki and Hiroshima. The world is still there, Japan is still there. That is why, proliferation, yes, it is a problem, but it isn't the kind of problem that these thousands of warheads represent.

Admiral TURNER. You are uncovering a real shortcoming in our military preparedness today. We don't know what the right number is.

I tend to sympathize with Bill and would like to see us go to a couple of hundred. But I have seen studies where 5,000 might be more stable than 200. These are very technical arguments. I don't really understand them fully.

I am suggesting to you, sir, this country needs a very thorough study of what is the minimum level of deterrence before somebody makes an agreement to a number like 200, which we then find maybe isn't as desirable as something else. I am not taking a position because I don't really know.

But I do know we haven't even studied this.

Mr. SOLARZ. I gather the key criteria—and I will yield, Mr. Chairman, because you have been generous with the time—is not saving money, because you really don't save that much. The key criteria is preventing war in the first place, preserving stability, and if there is a war, diminishing negative fallout.

Mr. COLBY. I agree with the third reason, that you have to consider they may be used. I think a very educational operation for the Members of this committee might be to is to have access on a classified basis to the SIOP. Take a look at what our targeting was. And I don't want to see it, I am not privy to it.

Chairman FASCELL. I am not sure I want to see it, either.

Mr. COLBY. Then ask for the Russian one.

Mr. SOLARZ. All I can say is, because I know this is highly classified, I would not have wanted to have gone on vacation in the Soviet Union.

Mr. COLBY. For the next 100 years.

Chairman FASCELL. Well, this reminds me of a conversation—Ben, if you just let me interject for a moment before I yield to you—of a committee discussion we had 30-some years ago, I can't remember exactly when it was, when this same question arose. And I don't want to mention the scientist's name, but it is in the books, and we discussed the question of what is enough to kill everybody. That is real deterrence. And so in a purely scientific fashion, he said it would take a thousand 1,000-kiloton atomic weapons to do in the world.

And I asked the question, Do you have to have a delivery system? He said, No, that is a delivery system, that is a waste of money. If you really want to do the job, stack it up in a pile and blow the fuse, and everybody is gone. It wouldn't take very long, he said. The fallout will get you.

So if we really wanted to destroy humanity, that is easy, and it doesn't take a hell of a lot of weapons to do it. You don't have to target anybody, you don't have to have battle ships or airplanes or anything else. Nature proved that to us back with the explosion of Krakatao. One little volcanic explosion made the world dark for over 2 weeks. And the dust is still settling. That was a century ago or more, whenever it was.

So you can get into all kinds of esoteric discussions about what kind of modernistic weapons you want and how you want to do it and the kind of force. But I think there is real scientific evidence extant, right now, you don't have to go examine anything that tells you what it takes to kill all the human beings on earth, if that is your purpose. And that is a hell of a deterrence.

Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman.

INTELLIGENCE CAPABILITIES

It is good having Admiral Turner and Bill Colby here to remind us of some of our shortcomings. I couldn't help but think with both of our experts before us how our intelligence community failed us when the Shah was deposed, when the Iraq expedition started, then the failure to predict the dissolution of the Soviet socialist republics.

Can you tell us why we were in that position, what we should be doing to change the readiness and the effectiveness of our intelligence community to prevent that? Here we have what I consider to be a good intelligence apparatus, yet we had those failures in the past.

Mr. COLBY. Let's get back to the purpose of intelligence, Mr. Gilman. It is not to give you a crystal ball, because you wouldn't want it if you had it, because if you had it, you would be compelled to go through that experience.

The purpose of intelligence is to alert you to problems and opportunities so that you can take action to bring about a better result than that application. That is the real purpose of it.

I think if you think of it in those terms, then you begin to see, well, sometimes we are wrong, and sometimes badly wrong. Sometimes we are very right. And then action is taken so that what we forecast does not happen. Then we are wrong for the right reasons.

This is kind of a tautology, but nonetheless, I think the key there, if you go back to Iran, I think the key to that lay, strangely, in the psychological assessment we made of the Shah, in which we said he was fundamentally not a very strong man. He was his father's son, he was not that strong a fellow. So that when he faced the pressures of criticism from abroad about the excesses of his police, he fired the chief of police and weakened that structure. When he faced the criticism abroad about the corruption of his administration, he weakened it. When he faced criticism from abroad about his military, he resolved not to use his military against his people, and he said that.

Now, those are the only things he rested on, that tripod. He had no real base. So if there was a failure in Iran, it was a failure many years before of trying intellectually to convince him to build a political base under him, as the Thai king has, for example.

And I think you asked about the decline of the Soviet Union. I think we knew that the Soviet economy was lousy. I think the collapse of the Soviet Union came largely out of three decisions that Mr. Gorbachev made. One was the business of the concessions to us on the arms control reductions, enormous concessions. Secondly, glasnost, letting it go. And thirdly, the refusal to use Soviet forces in Eastern Europe.

Now, those three things together brought about the coup against him. And his perestroika was a failure. Perestroika didn't work, but the coup against him was, of course, protesting those moves by him. That opened up the situation where Yeltsin moved into the vacuum.

Could we predict that? Fairly hard. We knew the economy was lousy. We also knew they put a high percentage of their effort into

making very good weapons. And they did. And the Red Army was a fearsome threat, there is no question about it.

Mr. GILMAN. What about Iraq?

Mr. COLBY. Iraq, I am not privy to all of that, but I gather that the following of the troop buildup was quite precise, quite ominous, just as the troop buildup outside of Afghanistan before the forces moved there—Stan would know more about that—was, I gathered, quite good. We didn't know what their orders were.

The estimates were, as I understand it, the CIA, and I get this out of the press, did say a few days before, he is going into Kuwait. But the President received assurances from Mubarak and King Hussein, based on personal assurances from Saddam, that he was not going to do it. And he listened to the two although he was warned by the intelligence, I think.

Now, I am not sure of this. I just got this out of the public print.

Mr. GILMAN. What you are saying is the intelligence apparatus was effective, but the analysis may have faults. Is that accurate?

Mr. COLBY. Whether it was accepted. That was true during the Vietnam war. The intelligence was pretty good, as you will see in the Pentagon Papers. The assessments were quite on point. Did we make the proper conclusion out of it? No.

Mr. GILMAN. Admiral Turner.

Admiral TURNER. Mr. Gilman, I think you have put your finger on a systemic problem here. We have a marvelous intelligence apparatus in this country, but because of the importance of this country to the world, our intelligence has grown and grown. It now becomes a bureaucracy. Bureaucracies find it very difficult to challenge the status quo, to challenge the accepted thinking.

And where we approached all of the problems that you have suggested with some reasonably good facts and some reasonably good analysis, in none of them were we in the intelligence world able to go all the way.

I briefed the Congress that the Soviet economy was on its way down in 1979, 1978. But I would not reach the conclusion that eventually that was going to lead to an upheaval. I was not able to break out of the bureaucratic embrace that we were in.

I would suggest several things. You can't shrink the intelligence bureaucracy. There is too much we need to learn about and too much we need to analyze. I think the creation of a director of national intelligence—and I agree with Bill, he should not be a czar who will totally dictate the analytic result. There will be lots of analytic organizations. But there is one man clearly in charge who sees to it there is competitive analysis going on around the community, would help.

I think more rigorous congressional oversight focused on the product—if I had a small criticism to make of intelligence oversight by the Congress, we are too involved in the budgets and the details of what is going on up there. You want to take and have the intelligence committees scrutinize some area of analysis every year, and see if you think you can find other solutions than the ones—conclusions than the ones the intelligence people are coming up to.

My third suggestion is not in the way the Congress goes about that, but in the way the intelligence people go about it. We should

rely more on outsiders, bring them into the process, so people who are not caught up in the bureaucratic habit—for instance, every time there is a National Intelligence Estimate, I would suggest they go out and hire one or two outsiders, an academic, a retired foreign service officer, retired military officer, retired intelligence officer, to write the whole estimate himself, in a very compressed form, and not with any classified information, not with any access to the intelligence. Just sit down and write, what is the future of Poland, if that is what the estimate is on. And you append that to the National Intelligence Estimate.

Eighty percent of the time they will probably agree. But the other 10 or 20 percent of the time, you may find that view that the Shah is going to fall, or that the Soviet Union is going to collapse, is back there, and it may alert you to the fact that the basic bureaucratic estimate wasn't as broad ranging as it should have been.

THE INTELLIGENCE COMMUNITY

Mr. GILMAN. Do you think we have too many agencies responsible for gathering and analyzing information?

Admiral TURNER. The answer is yes and no. I want more control over the agencies collecting. That is why I want a director of national intelligence who has authority over the National Security Agency and over whatever its classified name is for collecting satellite intelligence, which he doesn't have adequately, in my opinion, at that.

So those are going in different directions rather than in a concerted way. I don't think you could reduce the number of those agencies. I think you need to bring their teamwork together better.

Mr. GILMAN. When we have had in critical periods a gathering of the information and an estimate made, have either of you had an opportunity to be part of a policymaking effort to personally underscore with the President what your concerns are?

Admiral TURNER. Absolutely.

Mr. COLBY. Sure.

Admiral TURNER. I think we both agree that we stay out of recommending policy, but when the President sits there and says, I am basing my policy on this assumption about what the Russians will do if we do so and so, it was our job to stand up and say, We don't agree, Mr. President, or——

Mr. COLBY. The tradition was that the National Security Council was opened by the Director giving an estimate of whatever they were going to talk about. And then, he then passed it to the national security assistant, and he then outlined what the staff had come up with, the options for the President to consider.

But you were right there with him, and if you found the thing going off in the wrong direction, you called it right away.

TERRORIST THREATS

Mr. GILMAN. As we all know, terrorism remains a problem. Are we doing enough in our intelligence gathering to keep abreast of terrorist threats?

Mr. COLBY. I can't answer the question these days. I just don't know. I would imagine so, but I don't know.

Admiral TURNER. I am in the same position of not knowing what effort is being made, sir, at this time. But let me suggest that while intelligence should be pushed hard to find out about terrorism, it is a tough nut, and the odds of doing it are slim. You don't give up because of that.

I saw the CIA penetrate a terrorist organization and thwart its activities for a period of time. Superb. I had nothing to do with it, I am not trying to brag. I am bragging for them. But it is very, very tough.

Mr. GILMAN. I know that human intelligence is most important, and if we can penetrate some of those organizations we can save a lot of lives. I hope we are doing what has to be done.

ISLAMIC THREAT

With respect to political Islam, we have had some hearings recently in the Foreign Affairs Committee. Do you view political Islam as a threat to our security?

Mr. COLBY. I think we may have seen it cresting with the Iran situation. With Iran now groping gradually back to rejoin the world, the lesson that any nation which cuts itself off from the real world goes backwards is becoming more and more obvious.

You have in various of the Islamic countries a competition between modernism and those who would call for fundamentalism. You saw what happened in Algeria when the fundamentalists won the election and the modernists reached in and stopped because they were terrified of going in that direction.

It is the usual dilemma that this committee has always faced. How do you handle a situation where the enemies of democracy use the tools of democracy in order to destroy democracy? This is no easy problem.

But I don't think—in the first place, I think the fundamentalism, you have got fundamentalism in Saudi Arabia. I don't think it is going to spread. I don't think it is going to change particularly.

You have got Islamic interests in Pakistan with some deference to the fundamentalists, but not seriously. And in Indonesia, a large Moslem area, but they are not going to come under a Moslem sway, in my vision.

There is a competition going on in Central Asia between the fundamentalists in Iran, between the influence from Turkey, saying, Look, we have solved this problem about how you can be Islamic and modern both, and this is the way you should go. And that competition is going to take place.

The Saudis are going to send some missionaries up there. So you are going to have kind of a competition of positions. And I think the basic lesson, however, is that if you isolate yourself, you go back. That is the thing that is going to dominate it and I am convinced it won't be a major problem for us.

Mr. GILMAN. Admiral Turner.

Admiral TURNER. I agree very much with Bill. I think what we want to keep in mind is while Islamic fundamentalism will not become a single cohesive force in the world that will really challenge us, it is probably going to keep the Middle East off balance from our point of view for a long time to come.

I suggest the world is moving to democracy and free enterprise, but the one thorn in that is fundamentalism, because there is just this basic conflict Bill mentioned between the ways of Islam and many of the mores and cultures that comprise democracy and free enterprise. They will continue toying with democracy and free enterprise. They will always be uncomfortable in this because it does violate some of their tenets.

INTELLIGENCE SHARING

Mr. GILMAN. What about sharing intelligence with other nations? Should we be doing more of that? Do we have a good cooperative arrangement with other nations in the field of intelligence sharing?

Admiral TURNER. I may have different experiences in this, and my experience, for every piece of information we gave, we got 1/100th of a piece of information back. I don't think many other intelligence services in the world are worth their name. So I think you dole it out very parsimoniously based on what you get for it.

Mr. COLBY. Also, you don't allow some of our information to some of our friends for political reasons. It isn't just a swap. But there are things that other countries' intelligence services have given us what it would have been very, very difficult for us to get alone. You have foreign faces, for instance, and foreign people qualified knowing an area that will do things on our behalf as a result of a cooperation.

It depends on the policy of that government. If we are an ally, we are an ally. If we are hostile, we are hostile.

One of the most interesting changes going on now, I went to a meeting in, of all places, Sofia, Bulgaria, about 3 weeks ago. Twenty-two intelligence and security services from Eastern Europe countries, except Yugoslavia, four of the Soviet Republics, and half a dozen of the Western Europeans, and they proposed the subject, how do you run this kind of a service in a democratic society? Human rights, congressional controls, all of this sort of thing. What do you do about the files, what do you do about the old personnel, all of that sort of thing. They are all groping with this problem.

Now, that is something we can help them on. I understand we are helping them in various ways. And that is fine. But we get information back, but—and some of it is useful, I am sure.

Mr. GILMAN. Again, I want to thank our two experts. I wish we could spend more time with you. Unfortunately, we are in the midst of some floor business. I thank Admiral Turner, and Mr. Colby, for being here with us.

Chairman FASCELL. Let me add my appreciation too, gentlemen.

Mr. COLBY. Mr. Chairman, if I could just make one remark in response to your very wise and very experienced counsel about the difficulties of bringing about a new approach to the whole military budget problem. The first order of business has to be these budget walls. That has got to go. Otherwise you are going to get more Seawolfs and more B-2's.

Chairman FASCELL. I agree, but—I voted to bring down the walls, but I don't know where we are going right now. I can tell you

where we are going, we are going for a constitutional amendment that doesn't do a thing.

Mr. COLBY. That doesn't do anything, yes. It takes us in the wrong direction.

Chairman FASCELL. I want to thank both of you for taking the time to add to this discourse. The American people are going to owe you both a great deal of gratitude for your continued dedication to this country.

Mr. COLBY. I think we both thank you for the privilege and the opportunity.

Admiral TURNER. Yes, sir.

Chairman FASCELL. The committee will stand adjourned subject to the call of the Chair.

PREPARED STATEMENTS AND BIOGRAPHIES

STATEMENT OF THE HON. JAMES R. SCHLESINGER, FORMER SECRETARY OF DEFENSE

Mr. Chairman, members of the committee:

It is a special privilege to appear before you today, as the committee launches these important hearings on the nature and the goals of U.S. foreign policy now that the cold war has been successfully concluded and the long-feared Soviet threat essentially gone. These hearings parallel in significance those conducted after the close of World War II, when the seizure of Eastern Europe, the partial vacuums in Western Europe and Japan, and the new challenge posed by Stalin led over a period of years to a remarkable and responsive foreign policy for this nation. Now, as those circumstances disappear in the mists of history, those responses, successful as they were, must be reviewed, for they no longer suit current conditions.

Mr. Chairman, in this brief statement I have time only to touch on certain highlights. I start with the radically altered international environment. All too many will find it hard to acknowledge the extent of change and its implications. This is particularly true for a nation like this one, whose role was so large and whose policies so successful—to acknowledge after such a triumph that certain changes in our role and in our relations will be unwelcome. We will be tempted to rest upon our laurels. Rather than seriously to reconstruct our foreign policy, we will be tempted to believe that a few, modest adjustments will suffice. The consequence would be that we shall fail most effectively to deal with these new circumstances—and that to other major players on the world scene we will appear to be progressively less relevant.

First, Mr. Chairman, the welcome news. The principal risks that troubled us during the cold war—and, in a sense, back into the 1930's—have now gone away. There is little chance that Eurasia will be dominated by a hostile monolith or hostile coalition. The threat to the Western democracies, that lasted more than half a century, has finally faded. No longer or we or our political values seriously endangered. There is no paramount military threat—out there. Any military challenge will be relatively modest by comparison. All this is most welcome.

However, as the world has become far less dangerous, it has not become more stable. For better or worse, the cold war imposed a discipline that held lesser players in check—and effectively suppressed ferment and unrest. The end of that discipline has unleashed a thousand passions of tribalism, nationalism, and irredentism. Previously repressed, the freedom to assert one's self leads to self-assertion. Falling living standards and disappointed hopes, economic and political frustrations will sadly add to these tensions.

Europe is perhaps the most dramatic example of this change. For many years Europe was a veritable model of stability—in part, reflecting the high degree of military risks. Now, as one moves further east, Europe becomes increasingly tempestuous. While such instabilities are, for obvious reasons, most dramatic in Eastern Europe and the former Soviet Union, they are also quite marked in the Middle East, the Maghreb and elsewhere. This highly unstable world scene is likely to be with us for a long time. For a nation that came to expect the high degree of stability of the cold war period, reflecting to be sure a somewhat precarious military stand off, we shall have to become inured to perennial instability.

What then has been the impact on the international position of the United States of this latered world scene, in particular the disintegration of the Soviet Union? In brief, the collapse of the Soviet threat has in different parts of the world both weakened and strengthened the U.S. position. Importantly, it has substantially weakened our position with our traditional allies, for whom the U.S. role and U.S. protection no longer seem essential. Our allies may still be inclined to defer to us (out of habit,

if not gratitude), but that inclination visibly wanes each day. They may be inclined to flatter us and refer to the United States as the "sole surviving superpower," but the underlying reality is that the only role for a superpower, that is essential to them, is to serve as a military counterweight to another superpower. That need is clearly diminished. As the need for U.S. protection has shrunk, increasingly they believe they no longer need us—and act accordingly, i.e. with increasing independence. The simple reality that the end of the Soviet threat has heightened the role of economic instruments as opposed to military instruments adds to their stature as well as to their ability to act more independently.

By contrast, in the Third World, the impact of the Soviet collapse is more complex. On the one hand, our position has been strengthened because none of the developing nations (from outright antagonists to genuine neutrals) are any longer in a position to play off the Soviet Union against the United States. While it lasted, it was an effective tactic, but it is no longer available. For those that have played that game, they both are and feel themselves to be more exposed to American power. For potential antagonists, the United States now seems to be militarily more dominant than heretofore, and few (after Saddam Hussein's experiences) would contemplate an outright military challenge.

On the other hand, our Third World allies—like our European allies—recognize that there is a reduced need for American protection. Moreover, as economic issues become more salient, the United States is no longer in a unique position to help. To cite but one example, the ASEAN nations no longer panic at the prospect of a reduced American role. While they do not necessarily welcome a lessened American presence, they feel they can comfortably adjust to it.

The upshot is that the collapse of the Soviet threat has indirectly reduced America's clout. Yet, this is the reverse side of the achievement of the policy goal for which we have striven for so many decades: that the nations, particularly around the periphery of the Soviet Union, no longer feel under direct threat. Moreover, what is true for others is also in some sense true for the United States. The end of the Soviet threat has made this a far less dangerous world for us. Not only does it allow us to be more comfortable, it means that foreign policy itself has become just less important to this country than it once was.

How should we conduct ourselves in a world more unstable and more complex—under conditions in which our ability to lead has been reduced, if not dissipated? In my judgment this nation needs to be quite selective about circumstances in which we are prepared to act. The end of the Soviet threat has given us a somewhat heady feeling, and, as a consequence, we have been inclined to opine on all manner of events, many of which are quite tangential to our interests. In a world more complex, and more unstable, there will be countless occasions for us to involve ourselves. Others will be eager to draw us in (on their side) as the leading world power. Generally we should resist such temptations. If we are too frequently drawn into affairs quite distant from our central interests, the willingness of the American public to support a firm foreign policy on those issues of central importance to us will be significantly reduced—and may ultimately be exhausted.

Many of this country believe that we should be far more ambitious, that we should use our position as leading world power to advance democracy, clean elections, human rights, the resolution of conflicts, free enterprise, et cetera. If we were to do so we would soon dissipate our power externally—and the essential support of the public internally.

Moreover, we will find it hard to establish a consistent standard around which we can rally the American people. Sometimes we are for democracy, sometimes for self-determination, sometimes for civil liberties, sometimes for the *status quo*. These standards conflict one with another. Inevitably we will be inconsistent—and we will be charged with inconsistency. As a general proposition the centrality of our interests is a better guide for deciding on action than are certain high-falutin' principles which in their nature cannot be applied consistently.

The changed international situation does permit, at least for the moment, greater dependence on an American participation in multilateral actions—through the United Nations. But the embrace of multilateral institutions means the embrace of international rules. It then becomes important for us to abide by the same rules that we are inclined to impose on others. If we seem to embrace a double standard—in which we act as if there is one rule for others and a different rule for ourselves, we should rapidly dissipate that moral authority which is essential to our international role. In my view we shall better sustain our position in the long run if we avoid moralizing and we avoid posturing.

In my judgement there is much to be said for the traditional guides to foreign policy. With the ideological conflict of the cold war now behind us, we would be well

advised to observe these traditional foreign policy restraints. We need not launch crusades. We need not involve ourselves in every dispute. Where others have a larger stake in developments than do we, we should be prepared to defer to their wishes.

Though powerful, we should bear in mind that we represent a small and shrinking percentage of the world's population. In the main our stance regarding other nations should be based upon the attitude of their governments towards us. We should note—and be prepared to respond—to hostility. But we should avoid generating hostility—by intruding into matters that we cannot control and we may not fully understand. Thus, we should avoid picking fights—simply because others do not behave in a manner which we are inclined to exhort them to do. We have sufficient repairs to make in our own country that we should be chary of offering unsolicited and unwelcome advice to others—in areas that we have no direct concern.

I recognize that my view on these matters will not be welcomed by those who advocate a more exuberant foreign policy. I remain, however, deeply convinced that we shall far better sustain our position and our interests in the long run, if we recognize the need to exercise self-restraint here and now.

Mr. Chairman, I thank you and the members of the committee for your attention. I am prepared to answer any question that you may have.

JAMES R. SCHLESINGER

James R. Schlesinger currently divides his time between the investment banking firm of Lehman Brothers, where he serves as Senior Advisor, and the Center for Strategic and International Studies, where he serves as Counselor. In addition he is Chairman of the Board of the MITRE Corporation of Bedford, Massachusetts.

Born in New York City on February 15, 1929, Mr. Schlesinger received the A.B. summa cum laude from Harvard University in 1950. He was elected to Phi Beta Kappa and was selected for the Frederick Sheldon Prize Fellowship, 1950-51. Subsequently he received the A.M. (1952) and Ph.D. (1956) degrees from Harvard. From 1955 to 1963 he served as assistant and associate professor of economics at the University of Virginia. Subsequently he was associated with the RAND Corporation as a Senior Staff Member, 1963-1967, and Director of Strategic Studies, 1967-1969. During this period he also served as Consultant to the Board of Governors of the Federal Reserve System and to the U.S. Bureau of the Budget.

In March of 1969, Mr. Schlesinger began his government service as Assistant Director of the Bureau of the Budget (later the Office of Management and Budget) and served for a period as Acting Director. He left the Bureau of the Budget in August 1971 when President Nixon selected him to become Chairman of the Atomic Energy Commission. He held that post until February 1973 when he was named Director of Central Intelligence. He served in the latter position until July 1973 when he was appointed Secretary of Defense. He remained at the Defense Department until November 1975.

In 1976 President-elect Carter asked Mr. Schlesinger to become Assistant to the President, charged with the responsibility of drafting a plan for the establishment of the Department of Energy and a national energy policy. On August 5, 1977 Mr. Schlesinger became the nation's first Secretary of Energy, taking the oath of office one day after President Carter signed the legislation creating the new department. He held this post until August 1979.

Mr. Schlesinger is a member of the Board of Directors of Riggs National Corporation, Gulf Canada Resources Limited, and BNFL Inc. He is a trustee at the Atlantic Council, Center for Global Energy Studies, and the Henry M. Jackson Foundation. He is a Fellow of the National Academy of Public Administration and a member of the American Academy of Diplomacy. He served with the President's Commission on Strategic Forces, 1982-83 and the Governor's Commission on Virginia's Future, 1982-84. He was Vice Chairman of the President's Blue Ribbon Task Group on Nuclear Weapons Program Management, 1984-1985.

Mr. Schlesinger is the author of The Political Economy of National Security, 1960, America at Century's End (Columbia University Press), 1989, and numerous articles. He has been awarded eight honorary doctorates. Mr. Schlesinger is the recipient of the National Security Medal as well as five departmental and agency medals. He is the winner of the Dwight D. Eisenhower Distinguished Service Medal, the George Catlett Marshall Medal, the H.H. Arnold Award, the Navy League's National Meritorious Citation, the Military Order of the World Wars Distinguished Service Award, the Jimmy Doolittle Award, and the William Oliver Baker Award.

Married to the former Rachel Mellinger, Mr. Schlesinger and his wife have eight children and live in Arlington, Virginia.

A CHANCE FOR GREATNESS

Clark M. Clifford

Statement before
The Committee on Foreign Affairs
U.S. House of Representatives

May 6, 1992

Mr. Chairman and Members of the Committee:

The hearings you begin today are both ambitious and timely, and I welcome the opportunity to participate in them. Our nation enters the last decade of the century with a cause for satisfaction. But our considerable achievements are a reason not only for celebration; they are also an appropriate occasion for a reflection on policies that worked, and a recommitment to the principles that animated them.

The decisions we make today will help shape the world for the next half century. We have the opportunity to ensure that the long peace of the last four and a half decades will be extended well into the future. History does not often offer such an opportunity. We have a chance for greatness. Let us seize it.

The principles that formed the basis for American foreign policy since 1945 produced policies that proved to be uniquely successful. I would like to bring to the attention of the Committee a fact of staggering significance:

In the first 45 years of this century more than 50 million people died in wars in Europe. In the following 40 years, fewer than 15,000 died in European wars.

The system of security the Truman administration created in post-World War II Europe has lasted more than twice as long as the elaborate structure created after World War I. It is

also remarkable that as the post-World War II system is coming to an end, it is doing so gradually and largely peacefully, in marked contrast to the sudden, bloody collapse that characterized the end of previous international regimes.

As our nation confronts the many changes that have taken place in the world during the past three years, and as we try to fashion new policies to meet the new challenges, there is an especially pressing need to make sure that the principles on which we base our policies are sound. Such principles provide guidance and direction, and help us travel safely over unfamiliar terrain.

It is my hope that I may have something to contribute to the debate that is now taking place because I served for five years in the White House during the Truman administration. Then, too, we were confronted with a world that was suddenly different, a world in which old attitudes and policies would no longer suffice. We had to create something new, a set of guiding principles that would provide direction and yield policies relevant to the new circumstances. It is satisfying to note that the principles that were fashioned gave rise to policies that were admirably suited to the task. I submit that these tried and true principles are of enduring value, and that they can provide our nation with guidance and inspire successful policies today as well.

The policies adopted during the Truman administration were fashioned by our principles. And the period from 1945 to 1950 was one of extraordinary creativity by the United States government. It began with the hope that the cooperation that brought victory against the Axis would endure. The ideals enshrined in the Atlantic Charter and the United Nations promised to sustain the allied powers in shaping a global system of peace and security. But Stalin would have no part of it.

The vital precedent of those years concerns not the disappointment of our hopes but our nation's reaction to that disappointment. As Moscow proved itself a threat rather than a partner, the United States displayed an unprecedented agility in world leadership.

In an extraordinarily short period of time -- 40 months from the announcement of the Truman Doctrine to President Truman's decision to come to the help of South Korea -- the U.S. government, in a bipartisan fashion, created enduring machinery and policies for America.

We drew the line against Communist subversion with the Truman Doctrine.

We rejuvenated Europe through the Marshall Plan.

We created a permanent intelligence structure centered around the Central Intelligence Agency.

We created a new concept -- national security -- and established the National Security Council to coordinate our foreign and defense policies.

We recognized the problems with the old system, and we created the Department of Defense, the Joint Chiefs of Staff, and reorganized the military services for more effective deterrence.

We pulled our friends together in the North Atlantic Treaty Organization.

We launched the Point Four program of technical assistance that would signal our nation's long-term commitment to helping poorer nations, and set the stage for other foreign aid agencies that followed.

And when overt aggression came in the summer of 1950, we responded with determination to defend the liberty of South Korea.

The recitation of such highlights suggests why some have called those years the most significant period of

constitutional innovation in the history of American foreign policy. To put it more simply, it is clear that the United States saved the Free World in the first instance, and laid the groundwork for the ultimate demise of Communism.

It is important to remember, however, that institutions and policies we now take for granted did not win easy and general approval. It took imagination to conceive them. It took intense persuasion to convince a majority in Congress of their merit. In several cases leaders in both the executive and legislative branches took great political risks to enact them. I venture to say that those same qualities -- boldness of vision and a willingness to risk political careers -- will be needed to forge a comparably successful approach in the next chapter of the American adventure.

For, as the poet wrote, "new occasions teach new duties," and the political inventions of the early Cold War will not suffice for the post-Cold War universe. That does not mean that we should rush to abandon the principles behind them. Indeed, many of them can be adapted to serve the different missions now arising on the foreign policy agenda. But the complexity of that agenda will demand a sophisticated synthesis of old techniques and novel ones. As we refine existing institutions and revive some dormant ones, we must not hesitate to strike out in unfamiliar directions when that seems wise.

A time of transition is often perilous, especially in the relatively anarchic realm of international politics. But if the world is not yet safe for democracy, one can hope it is becoming safer for collective security. In a system evolving toward shared responsibility for peace, it is surely not appropriate for the United States to be the dominant player in every case.

It is already clear that there has been a noticeable decline in deference to American leadership. No one should be surprised that the robust political and economic development of Europe and Japan would presage greater independence in their policies. Obviously, the security glue that held our alliances together in the face of the Soviet menace is softening. In fact the acid of economic competition could dissolve that glue, unless we and our allies are prudent.

We should consider carefully the future of NATO. People sometimes overlook the fact that NATO is a regional security organization within the provisions of the U.N. Charter. It has become the most potent military alliance in history. Even after the force reductions now taking place, NATO's infrastructure, logistics, communications and working relationships among member nations can make it a unique resource for the maintenance of peace.

We all know that the alliance has never been able to reach full agreement on collective action outside of NATO territory. The so-called "out of area" problem has been a

matter of serious disagreement, even though most NATO members recognize that their vital interests are affected by turmoil in the Persian Gulf or other regions. As the Soviet threat has disappeared, the time has come to re-orient our thinking about NATO's contribution to security in those other areas. NATO can and should be a basis of the more fluid coalitions needed to make collective security work in the crises that are bound to arise in and out of Europe.

An emphasis on collective security is not a derogation of national security. We can already identify some of the gravest impending dangers to American security and welfare -- the proliferation of modern weapons, potentially including even nuclear weapons; the continued vulnerability of the U.S. economy to a disruption in oil supplies; the clear calamity that a collapse of the world trading system would trigger. Few of them lend themselves to direct military remedy. Fortunately, most other states are also exposed to these hazards, and that provides grounds for common action to protect the peace and maintain an open economic system.

But we have to put our house in order. Nothing is more worrisome to me than our domestic disarray. I have in mind the fact that we are now the world's largest debtor nation and our debilitating habit of foisting on to future generations the costs of our own profligacy. I also believe we have lost ground in our battle for equal rights for citizens of all

racism and genders. Misguided court decisions and feeble political leadership have inflamed the divisions among our own people. I cite these concerns not to divert our discussion, but to make clear my premise: The great opportunities we retain for American leadership abroad depend on recovering our way toward justice and prosperity at home. Our society must heal itself.

Institutionally, we are floundering as we strive for effective reorganization of government to deal with the new agenda. Because our system requires close harmony between Congress and the President, I would also say that there remains a need to find a substitute for the legislative veto device on which the courts have frowned. If we hope to avoid friction and stalemate between the branches, we need arrangements that afford the executive broad discretion to initiate foreign policy, but give Congress confidence that it will have the final say on the fundamental policy choices.

To make these points is to underscore a perpetual requirement of American policy: bipartisan collaboration is absolutely necessary for a successful, popularly-supported policy. It is incumbent upon every president, every executive official and every member of this body to keep that standard in mind. The demoralization evident in our national politics will persist unless leaders have the courage to share the risks of hard choices in behalf of our country.

When we inaugurated the Marshall Plan -- a plan thoroughly unpopular at the outset -- our government found those qualities in the House and Senate no less than in the administration. Today, to aid the shattered economies of Eastern Europe, to make the sacrifices required to help transform our former adversaries in the Soviet Union into stable regimes and dependable associates, we must and can muster those qualities once again. This is a moment for statesmen to risk their careers, if need be, to persuade their fellow countrymen that the national interest compels vigorous engagement on the international front.

I am impressed by the progress made in arms control between the superpowers. Nothing in history matches the potential of recent agreements to reduce conventional and nuclear arms. The elaborate inspection and confidence-building arrangements of the INF, CFE and START treaties, if replicated and extended, can go very far toward preventing clandestine preparations for attack. At the same time, Iraq's secret programs for nuclear and chemical weapons show the dangers of intensified proliferation of nuclear weapons and how urgent it is to develop far more effective international supervision of dangerous technologies.

So far in my remarks I have confined myself to a discussion of general principles. Now I wish to turn to some observations on the proposed defense budget.

The end of the Cold War changes the international system from a bi-polar to a multi-polar world. It is a much less dangerous world. As the disintegration of the Soviet Union continues, there is no other nation at the present time that constitutes a major threat to the United States. The new threats would come from flare-ups in different parts of the globe that might or might not have a significance to us.

It is obvious that we need a different type of military force for these new circumstances, a lighter force that is mobile and flexible. Such new forces would not be nearly so expensive to outfit and maintain. We should insist that the Pentagon face global and budgetary realities and present a substantially lower request for funds.

The Defense Department indicates it will need \$280 billion for its new budget as part of a total sum of \$1.5 trillion to be expended over the next five years. In an effort to justify such an enormous expenditure, the Pentagon offered seven scenarios of threats that might confront our country. A reading of the list makes it clear that these threats could not possibly justify the contemplated budget. Indeed, it is not clear that each of the scenarios drawn by the Pentagon constitutes a meaningful threat.

I believe it is generally accepted that there are four areas of the globe that are of such vital importance to us that they constitute our major areas of interest. They are

the area of the former Soviet Union, Europe, the Persian Gulf, and the Pacific Rim, with special emphasis on Japan, Korea and Taiwan. We have an overriding interest in preserving stability in these four regions.

Our most vital concern today is the developments taking place in the former Soviet Union, as the disintegration continues and the people attempt to adjust themselves to the new conditions. It is imperative that we make every reasonable effort to assist them during this period of transition. We should also continue our military presence in the Pacific and the Gulf.

Our security needs can be financed at much lower levels. Every dollar that we can save from defense can be used in furthering our interests abroad and in strengthening our own country. In our examination of expenditures that have been recommended, there are clearly some that are not needed under the new conditions and tremendous savings can be made by cancelling them. Serious consideration should be given to the following:

1) Do not make the commitment to build any more B-2's. The cost is now up to \$1.5 billion per plane, and it is much too expensive for ordinary bombing.

2) Do not build the new Seawolf submarine. With the Soviet navy declining steadily, I am at a loss to know what enemy this weapon would be used against.

3) Do not build the F-22 fighter. This plane was to enable us to stay ahead of the latest Soviet advances and

there is now no need for it. Turning off this expense would save some \$100 billion.

4) Reduce the Base Force. The 1.6 million men and women recommended by the Pentagon as a base force is much larger than we need and the savings would be immense.

5) We should not consider building another aircraft carrier. We may even wish to reduce the number we have.

It is in this area that the decisions become particularly painful. Similar problems confronted the Truman administration and were solved by joint action of the Executive Branch and the Congress. It would be my hope that the present challenge could be met in the same bipartisan climate that existed so many years ago. It is in this area that our children and their children would be most affected as they faced the future world that would develop.

I have another suggestion. Forty-three years ago under President Truman there was a far-reaching reorganization of our defense forces. It was invaluable in assisting us in meeting the exigencies of these past years. The time has come to do it again. Important improvements can be effectuated by giving more authority and tighter control at the top. Also, duplications like the Army Air Wing and the Marine Air Wing should be dispensed with, and the services' roles and missions should be accurately delineated.

I want to conclude by urging all of us to grasp the profoundly new quality of the problems we are going to face in the future. Arriving at this realization, and acting on it, are not easy. For, as Machiavelli wrote,

It must be remembered that there is nothing more difficult to plan, more doubtful of success, nor more dangerous to manage than the creation of a new system. For the initiator has the enmity of all who would profit by the preservation of the old institutions and merely lukewarm defenders in those who would gain by the new ones.

But we must do no less.

We built elaborate institutions to contain the Soviet Union and prevent the spread of Communism around the world. These institutions performed, for the most part, superbly. But they are woefully inadequate in meeting the new challenges we face. The national security machinery we built was meant to help us fight the Cold War. The new national security concept we adopt should be broadened to include new contingencies, and the machinery we build should be similarly adjusted.

What characterizes many of the problems we now have to address is the fact that these are problems without borders, or problems for which a large defense establishment is not relevant. Let me mention the most important ones:

International Trade:

We have won the Cold War but we are losing the trade war to the Japanese and the Europeans. We must foster a political climate in which the issue will receive the attention it deserves, and create the institutions that will help us win it.

I believe we should consider seriously the creation of what I would call "A Pentagon for International Trade." There is no need to create a new agency in order to do that. The existing Department of Commerce, if properly reorganized and refocused, could do the job. We should take out of the Department agencies and bureaus that interfere with its effective promotion of our international trade position, and bring into it agencies and offices now doing work related to international trade, such as the U.S. Trade Representative, but which are now scattered throughout the bureaucracy.

People may criticize me for suggesting the creation in the United States of something resembling the Japanese MITI. I would respond thus:

1. What is exactly wrong with trying to emulate the example of an agency which has been enviably successful in promoting its country's trade position?
2. But of course we will not be emulating MITI. We will create a uniquely American institution that will perform its tasks the American way.

The important consideration is to recognize the centrality of international trade to our national security, and act on that recognition.

The Environment

An example for a problem that cannot be dealt with on a narrow national basis is the environment. Environmental issues are oblivious to national borders: acid rain from Canada destroys our forests, while the gaping hole in the ozone layer threatens all of mankind, as do the greenhouse effect, the depletion of the rain forests, and the uncontrolled increase in the world's population.

Meaningful solutions to the problems of our increasingly besieged environment are attainable only through cooperation with other nations. Of course, there are important unilateral steps we ought to take to halt and then reverse the damage inflicted on a fragile planet, but this is one issue that must be dealt with internationally.

In this context I want to express my profound disappointment with President's Bush's reluctance to join leaders from 100 other nations in Rio this summer for a global environmental summit. The leader of the richest and most powerful nation on earth -- a nation, need I say, that made its own contributions to the worsening environmental situation -- should not only take part in such a summit, he should lead it.

His participation does not mean that we should accept every policy or recommendation discussed in Rio, and I am confident this president will not accept policies inimical to our interest. But his participation will demonstrate our deep interest in and concern with this issue, and our readiness to join with others to do something about it.

In this connection I must voice my strong criticism of the last two administrations' refusal to participate in United Nations' sponsored programs for population control. The intrusion of domestic political considerations into the fashioning of a policy which is of such vital importance to us should be soundly criticized. The population explosion and the increasing burden it places on the world's shrinking resources call for a far-sighted policy that transcends narrow parochial considerations.

Migration

Yet another example which cannot be dealt with unilaterally is the issue of migration. The opening of borders means also the free movement of people. This movement may be especially worrisome now as the republics of the former Soviet Union and the nations of Eastern Europe undergo the wrenching transition from command economies to free markets. There is a danger that the waves of immigrants from the Eastern European countries will flock to the West, disrupting political and social conditions and exacerbating ethnic and nationalistic tensions.

Recent anti-immigration sentiments in Western European countries, especially Germany and France, directed at immigrants from the Third World, demonstrate the problems that immigration may cause.

We should participate with others in improving economic, social, and political conditions around the world as one measure that will lessen the incentive to immigrate.

AIDS

Another example for the need to think in a new way about our security is the tragedy of AIDS. The AIDS crisis affects not only the United States, but also many societies in Asia and Africa. The crisis in those societies sooner or later will affect us as well. The spread of AIDS has been largely

limited in the United States and Western Europe. In the Third World -- especially Africa and Southeast Asia -- the story is different, and AIDS has become pervasive throughout the population. The economic and social toll on these societies, to say nothing of the human tragedy involved, are enormous, and likely to mount. We must do something to help these countries cope with this dread disease which also directly threatens us.

The relatively freer movement of people across borders that will characterize the post-Cold War world is going to mean that AIDS will be a more pressing problem for Western societies as well. It is in our national interest, therefore, to increase the resources we devote to finding a cure for the disease.

I do not want to dwell only on the problems we face, although these are serious problems. Over the last year we have also seen examples that should give us hope in mankind's ability to cope with the challenges of the new world. I would like especially to note the effective job now being performed by the U.N. peacekeeping force in Cambodia. Other international peacekeeping efforts are now underway in Yugoslavia, Latin America, and the Middle East. As members of this Committee no doubt know, the U.S. contribution to international peacekeeping efforts has been pathetic. I would urge this Committee to recommend to Congress to increase

substantially our annual contribution to the United Nations peacekeeping efforts, and encourage our allies, especially the Europeans, to continue the good job they have already begun to do in the Balkans.

. Mr. Chairman and members of the Committee, we are entering a phase of strenuous activity in American foreign policy, not unlike that of the late 1940s. The opportunities and risks before us are both great. The role of military force in international politics has changed. The threat to obliterate millions has deterred a nuclear war, and if we play it right, we can now devote our energies to go beyond that to building decent lives for billions.

America must begin that job here at home. But both by example and by engagement, our nation can and should be a leading architect of a global order suitable to a crowded planet. We have a chance for greatness. But then greatness is expected of a great nation.

BIOGRAPHICAL SKETCH OF CLARK M. CLIFFORD

Born in Fort Scott, Kansas on December 25, 1906, the son of Frank Andrew Clifford and Georgia (McAdams) Clifford. Shortly thereafter the family moved to St. Louis, Missouri.

Attended public schools and then went to college and law school at Washington University in St. Louis, graduating in 1928.

Entered the practice of law in St. Louis in 1928 in association with Jacob M. Lashly.

Volunteered for service in the United States Naval Reserve in 1943, and received commission of Lieutenant (j.g.). Served as special assistant to the Commander, Western Sea Frontier, later as assistant Naval Aide to the President, and as Naval Aide to the President.

Separated from the service in 1946 with the permanent rank of Captain.

Appointed Special Counsel to the President of the United States in June, 1946 by President Harry S. Truman. Served in that capacity until February 1, 1950.

In 1945, President Truman assigned him the task of conducting a study in depth of the unification of the Armed Services. He worked with the War Department, the Department of the Navy, other departments and agencies involved, and the Congress for two years thereafter. There finally resulted the passage of legislation in 1947 entitled "The National Security Act." He was one of the principal architects of this legislation.

Thereafter, he served as liaison between the White House and the new Secretary of Defense.

Again in 1949, he worked with the Secretary of Defense, other departments and the Congress to obtain passage of the "National Security Act Amendments of 1949," which greatly strengthened the authority of the Secretary of Defense and changed the national military establishment into a regular executive Department of Defense.

On February 1, 1950, he resigned as Counsel to the President and established a law firm in Washington, D.C. under the firm name of Clifford and Miller.

In 1960, he served as a member of the Committee on the Defense Establishment, appointed by Senator John F. Kennedy to survey the organization, management and administration of the Defense Department. This committee was chaired by Senator Stuart Symington.

Between November, 1960 and January, 1961 he represented President-elect Kennedy in the transition period involving the takeover of the Executive Branch of Government from the Eisenhower Administration.

In May, 1961 President Kennedy appointed Mr. Clifford a member of the President's Foreign Intelligence Advisory Board. In April, 1963 Dr. James Killian of M.I.T. resigned as Chairman of the Board because of ill health, and Mr. Clifford was appointed Chairman by President Kennedy.

In 1965, Mr. Clifford made a trip to the Far East and visited certain countries in his capacity as Chairman of the Intelligence Board.

In 1966, he served as an advisor to President Johnson at the Manila Conference.

In 1967, Mr. Clifford and General Maxwell Taylor visited a number of Southeast Asian and Pacific countries as personal emissaries of President Lyndon Johnson.

On January 19, 1968, President Johnson nominated him to be Secretary of Defense. On January 30, 1968, he was unanimously confirmed by the United States Senate. On March 1, 1968, he was sworn in as Secretary of Defense of the United States.

Mr. Clifford served as Secretary of Defense until January 20, 1969, after which he returned to the practice of law with offices at 815 Connecticut Avenue, Washington, D. C.

January, 1969	Awarded Medal of Freedom with Distinction by President Johnson - highest award given to civilians
April, 1976	Received Distinguished Alumnus Award from the Washington University School of Law, St. Louis, Missouri
May, 1976	Received Honorary Doctor of Law Degree from Washington University, St. Louis, Missouri
February, 1977	Appointed by President Carter to be his Special Emissary to Greece, Turkey and Cyprus
May, 1978	Received Honorary Doctor of Law Degree from Loyola College, Baltimore, Maryland
December, 1978	Received Lawyer of the Year Award from the Bar Association of the District of Columbia, Washington, D.C.
January, 1980	Appointed by President Carter to be his Special Emissary to India
May, 1980	Recipient of the Harry S. Truman Public Service Award

Making Peace after the Cold War

Prepared Statement of
Hon. McGeorge Bundy
before

The Committee on Foreign Affairs
U.S. House of Representatives

May 13, 1992

Mr. Chairman & Members of the Committee:

I am grateful for your invitation to take part in these hearings. What we call the end of the cold war clearly opens a new stage of world history, and the questions thus presented are even broader and more complex than the formidable list that came with your invitation. I will confine my opening statement to three matters that seem to me genuinely new and highly important, and one more that is not new but more urgent than usual this year. Of course I will also try to respond to your questions on these points or on others.

First, I believe that the end of the cold war creates a new and compelling objective for American foreign policy toward all the peoples and governments in what was the Soviet Union: that we should do our best to see to it that the cold war is not renewed, but is instead succeeded by a durable and solid peace in which former opponents become reliable friends. We and our allies in the old cold war coalitions now face a task that is strongly analogous -- thought not at all identical -- to the one that we faced in 1945, when victory imposed upon us the urgent question of the future of our former enemies. We won the second

world war by vast campaigns, but we won the peace that followed by a long process in which our primary enemies, Germany and Japan, became durably and democratically our friends, in a world of open political and economic partnership. The most important danger in the post-cold-war world is that the revolution that ended it, -- the revolution that overthrew Soviet communism -- may fail and be followed by counter-revolution. I do not myself believe that the communists will come back to power -- at least not with the old words and music -- but I think none of us can exclude the possibility of a new hardline regime in Moscow, repressive at home and unfriendly to its neighbors. Since such a state would still have massive military capabilities, conventional and nuclear, we would have the makings of a new cold war. It might be less threatening than the one we have come through, or it might be even worse, but we can say for sure that it is not the result we want.

The present challenge is not identical with those of 1945. We are not occupying powers now -- and more important still our former opponent is now already, in the behavior of its peoples and new governments, a friend. It is not by accident or without persuasive evidence that our people and our government have joined in warm approval of the long strides away from the imperial Soviet police state taken by Mikail Gorbachev and Boris Yeltsin, and also by others in the newly independent republics. What we have now is not the challenge of occupation and political reform, but that of helping the successful revolutionaries to

achieve the kind of political and economic success that will confirm the new freedom of their countries.

But if this opportunity is different from the task of occupation, it is also different -- many ways different -- from the enterprise with which it is often compared -- the Marshall Plan for the economic recovery of Western Europe. At least four major differences are worth our attention -- each tells us a lot about what we should and should not do now. First, this is not at all a case in which a single government, our own, can decide the magnitude and the terms of foreign assistance. Others are doing much more than we, and for durable results there must be sustained cooperation by donors and recipients both. Second, the current situation does not permit the kind of concerted four year plan, a full year in the making, that marked the eventual European Recovery Program -- it was possible in 1947 to build on institutions, capabilities, and shared ways of doing business that are, comparatively, not at hand in the old Soviet Union. Third, for reasons it has not explained, the Administration in this case has not followed the example of the Marshall Planners: it has not engaged the Congress -- and in particular the House -- in the kind of bi-partisan assessment and review that was conducted with great political effectiveness by the Herter Committee in 1947-48. As a consequence you have before you now a bill with a grandiose title -- The Freedom Support Act -- but you have no solid base of your own homework for judging that bill. You cannot even tell, because the Administration does not want to

put a price tag on its product, just how much money this bill will cost us all.

Fourth, and perhaps most important of all, the policy of help for the former Soviet Union, unlike the Marshall Plan as it finally came before the country, does not have the enormous political advantage of a highly unpopular enemy. The man who really passed the Economic Recovery Act was not Truman, or Herter, or even Vandenberg. It was Josef Stalin. The Freedom Act has no such opponent to recommend it, although, as I have just been suggesting, the most powerful reason for supporting that bill is that without it the danger of a new Russian tyranny goes up.

I cite these differences not at all to deny the value of the Freedom bill. I support it strongly as far as it goes. I cite them because I think we must avoid the suggestion behind some comparisons with the Marshall Plan, that this is a case for taking a single big action to get the job done. It is not that big a step and it won't finish the job. Indeed the months and years just ahead will teach us all -- in Russia, in other republics, and in every participating donor country -- a great deal -- that no one yet knows about the path toward a growing and open economy over there.

What I think we do know -- and this is knowledge that can reinforce our work as our knowledge of Stalin reinforced the Marshall Plan -- is that the societies we are working to reinforce by this general policy of economic help are enormously

better for their own peoples and for us, than the states that would succeed them if counter-revolution should follow their failure. We are at the beginning of what may well be a long and costly effort; we shall all be lucky if there is a quick and untroubled success. But here I agree with President Bush. The right comparison, in monetary terms, is with the cost of the cold war itself. He estimated that cost at \$4 trillion -- four thousand billion dollars. One percent of that is \$40 billion, and we are still a long way short of that.

I will be more brief on two more large topics. The first is nuclear danger. Here the first point to make is that we do now have an opportunity to put the largest single nuclear danger behind us: we can reverse the 45-year competition between the U.S. and the U.S.S.R., and replace it with an open and friendly competition in the reduction of arsenals and dangers both. START can be just the beginning, indeed. I believe that it is now plainly in the common interest to move well below the START limits and I also think it is not in our interest to lag behind in this downward race -- we gain nothing but expense and mistrust by resisting reductions. It is not in our interest to reawaken Russian fear by reaching for American superiority.

My third topic is even broader. It is that the end of the cold war allows us to take a new view of the world's network of multi-national organizations, especially those that are connected with the United Nations. As we have seen in the last two years, the Security Council can now do things it could not dream of in

the cold war. Such success is not automatic, of course; it requires the cooperative work of serious governments. But it is much more, in what has already been done, than the sum of its participant governments. We need to go on in this direction, and the first and largest step is one in which this Committee, in the House, must have a great role: it is to pay our bills and keep them paid. The taxpayer will get at least as much for those dollars as he gets from any other part of the national security budget. I am not saying that every officer in every U.N. agency is a model of frugal efficiency. I am saying that the way to make things better -- there as in any organization, is by giving fair support and taking a full and active part. To put it very simply, we cannot have a strong and effective international system by refusing to pay for it.

Finally, I think that foreign affairs begin at home. The most brilliant policy will fail unless our own society is healthy and strong. But we cannot make it that way by turning our back on the world; our peace now depends on what happens in other continents than our own; our internal economy is part of the world economy, and we cannot sever that connection without grievous damage to ourselves. Foreign policy -- including foreign aid -- and domestic policy -- including help for those locked out by whatever cause -- are indispensable and interlocking parts of a single national life; neither one can be durably successful if the other is not. Fortunately the historical record is clear: the American people are not so dumb

they don't know that. What they do expect is that in both foreign and domestic affairs the political lead will come from Washington.

* * *

MCGEORGE BUNDY

Bundy, McGeorge, former government official, history educator; b. Boston, Mar. 30, 1919; s. Harvey Hollister and Katharine Lawrence (Putnam) B.; m. Mary Buckminster Lothrop, June 10, 1950; children: Stephen, Andrew, William, James. A.B., Yale, 1940. Polit. analyst Council Fgn. Relations, 1948-49; vis. lectr. Harvard, 1949-51, assoc. prof. govt., 1951-54, dean faculty arts and scis., 1953-61, prof., 1954-61; spl. asst. to the President for nat. security 1961-66; pres. Ford Found., 1966-79; prof. history NYU, NYC, 1979-89, prof. emeritus, 1989—; co-chair, Carnegie Commission on Avoiding the Nuclear Danger. Author (with Stimson) *On Active Service*, 1948. *The Strength of Government*, 1968. *Danger and Survival*, 1988; editor: *Pattern of Responsibility*, 1952. Mem. Am. Polit. Sci. Assn., Phi Beta Kappa. Office: Carnegie Corp. of New York, 437 Madison Ave., New York, NY 10022

STATEMENT OF RICHARD V. ALLEN*
BEFORE THE
COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES
CONGRESS OF THE UNITED STATES

MAY 13, 1992

U.S. FOREIGN POLICY STRATEGY IN THE POST-COLD WAR
PERIOD

Nearly thirty years ago, at the inaugural conference of the Center for Strategic and International Studies, I first heard a question asked about how the United States would actually know when it had won the Cold War, and what we would do about it once we actually came to understand that it was so.

I was intrigued by the question then, not just because I considered it premature under the conditions then obtaining in the world, but also because it raised the very difficult matter of what sort of policy would be needed in a post- Cold War era. It was, and is, a hard question.

Under ideal conditions, actually preparing an American strategy for such an era would have been the task of scholars, specialists and bureaucrats, people with the time and disposition to reflect on the requirements of a period of protracted peace. One could imagine leisurely debates, extended conferences, continuous hearings by the Congress as inputs to this important debate.

* Assistant to the President for National Security Affairs, 1981-82; Deputy Assistant to the President for International Economic Policy, 1971-72; Senior Staff Member, The National Security Council, 1969-70; Member, President's Commission on International Trade and Economic Policy, 1970-71; Chairman, President's Commission on the German-American Tricentennial, 1983; Member, President's Task Force on International Broadcasting, 1991. Presently Chairman, A-E-A International Trade and Management Consultants, Washington, Seoul and Hong Kong; Chairman, Advisory Board, Asian Studies Center, The Heritage Foundation; Senior Fellow (by courtesy), The Hoover Institution on War, Revolution and Peace, Stanford University; Chairman, Crédit International Bank, N.A.

Yet, the Cold War came to an end in a manner far more abrupt than anyone expected; the rush of events was such that we were unprepared for the implosion of the Communist world, and we were so busy managing the decay and collapse of our former adversaries that we did not have time to catch our breath and assess our future requirements.

To be sure, some did provide us with a clear warning of the impending catastrophe of the Soviet Union and its vast empire; Zbigniew Brzezinski, for example, stands out as one who understood what was going on in the Soviet world and insisted it was time to deal with a whole new series of difficult tasks and unexpected problems.

The first of the questions you have put to us asks about the goals of U.S. foreign policy in this new era. It seems to me that our conception of national security must be adapted to these new conditions, and that the emphasis on the component parts of national security needs to be shifted according to new conditions. While we may have anticipated that a post-Cold War period would be simpler and therefore easier to deal with, the reality now confronting our policy makers depicts something else -- a world in which complexity and unpredictability challenge the conventional policy framework in which we continue to operate.

The notion of ideological conflict as the basis of Cold War conflict, the struggle of two systems, is gone, and in its place is a world filled with the modern, and sometimes armed, expression of old national rivalries, ethnic conflicts, religious wars and economic struggles.

Under such circumstances, the central goals of our policy need not change dramatically: it will certainly be our objective to continue to protect the United States and its vital interests with all the means at our disposal. To do this, we will require military forces adequate to define tasks of policy, the capability to project military power in pursuit of those objectives, and alliances sufficient to provide assistance when required.

Of these three requirements, maintaining alliances is perhaps the most difficult. Alliances exist for mutual advantage, and the United States

has been fortunate and skillful in maintaining its principal alliances for so many years. But, as the late Oskar Morgenstern said, "alliances are always weaker in peacetime; alliances tend to become hard and fast and strong when things are going badly....but when things are going well, cooperation is hard to achieve."

The challenge of maintaining interest and confidence in NATO, for example, is a major problem for the United States right now. Without NATO, the outcome of the Cold War would have been either changed or delayed, and in retrospect we can clearly see the contribution it made to our security and well-being over the last thirty-three years. Without it, we could hardly have imagined the creation of the European Community, even while the EC represents for us a new form of challenge.

It has always been a fundamental goal of U.S. policy to secure our economic well-being, but this component of policy has played second fiddle to that of military security. Now that we are unquestionably the sole surviving superpower and the prospect of a strategic military challenge has subsided, if not actually disappeared, the time has come to reassign the goal of economic security a higher and more immediate priority. Some of the machinery of government should be reorganized to adjust to this requirement, and the Administration should organize to submit a plan to the nation and to the Congress.

External threats to U.S. security will be less perceptible in the era we are entering, and there will be increased debate about these threats and the appropriate American response to them. The invasion of Kuwait by Iraq was clearly a threat to our security and that of our friends and allies, and circumstances permitted us to mobilize at home and abroad to defeat Saddam Hussein and liberate Kuwait.

The projection of American power was successful, and we were able to persuade most of the free world to stand with us and help pay for this costly exercise. However the objective was presented to the American people, the underlying nature of that threat was economic, but there was no suitable economic response to Iraqi aggression. In an historic reversal of

past policy, the United States mobilized the United Nations and wisely operated under its mandate.

Civil and ethnic strife continues in what was once Yugoslavia, yet a persuasive case cannot be made to the American people or to this Congress that our interests are threatened to the extent that we should project American power to stop the carnage. Logically, this should be the task of a motivated Europe, but we have seen how ineffectual are our partners there. But there will be more of this type of violence in the future, and our interests are in fact affected by such conflicts.

The point is that we must remain prepared to take action on our own when our interests are threatened and when others decline, for whatever reasons of their own, to assist us. To do that requires political will, leadership and consensus at home, considerable nerve, and adequate military power. Without these ingredients, America's global interests will certainly suffer, and we will be disregarded by others.

In my work as a business consultant, I am frequently overseas, and have the benefit of hundreds of encounters and discussions with foreign businessmen, government officials and just ordinary people. There is absolutely no question in my mind that the world wants and expects American leadership, American initiative and American protection. Of course, we are criticized and sometimes vilified, but the fact remains that the power and influence of the United States are awesome in the eyes of others, who have high expectations of us.

Our security is enhanced by this condition, and I believe it is our responsibility to acknowledge and fulfil the leadership role accorded us by others.

To fulfil our assignment and to secure our interests, I believe it is essential that we maintain adequate military forces. The cuts now in force, structure and manpower now under way ought to be digested before further reductions are demanded and imposed upon our military establishment. I also believe that funding for exceptional high-technology

weapons systems, especially those of a defensive nature, should be continued. In this category I include the requirement for continued funding of the Strategic Defensive Initiative, even in its formative stages a powerful but unheralded accelerator for ending the Cold War by persuading Gorbachev to throw in the towel.

Let us now wait for a considerable period before chopping away again at American military strength, and give the President, the Secretary of Defense and the Chairman of the Joint Chiefs of Staff the opportunity to match future requirements against the resources they will be permitted. It would be unwise in the extreme to move too quickly to demand further reductions.

At the same time, deploying our military forces for other non-combat tasks makes sense: disaster relief, such as assisting displaced populations and assisting in natural catastrophes, and increased deployment of forces to interdict drug shipments, come to mind.

A question you put asks about the consequences of an isolationist, America-First policy. There are strong signs in the country that Americans are tired of the internationalist burden assigned to them, and if not actually tired of it, they ask what benefits it has brought and why they should continue to worry about the rest of the world now that the heavy lifting has been done, the Cold War is over and our responsibilities and problems at home are clearly more urgent than ever before.

The political rhetoric of this election year speaks powerfully to this issue, and I can assure you that people in all parts of the world are very concerned that America may be turning inward at the very time when its help is needed more than ever.

It will be measurably more difficult to sustain broad public support for maintaining America's internationalist stance. Leaders, especially our elected ones, bear a special responsibility to define our broad national purposes and to generate understanding for the important tasks that are before us. Saying this inside the Beltway is easy; arguing the case in the

heartland of America is tough, and getting tougher every day -- just ask the Members of this body who go home every week to face an aroused electorate that demands action on the broadest conceivable agenda of domestic affairs.

The United States has a proud record in the promotion abroad of American values -- democracy, human rights, support for free market economies -- and this tradition will obviously continue. We have done more in this field than we have ever claimed credit for, and we have nothing to be ashamed of for having devoted so much energy and so many resources to the task. In particular, this Committee, its Chairman, the ranking Minority Member and many other Members, have, for as long as I can recall, made enormous contributions in this regard, and the nation owes you all a debt of gratitude. The world, too, thanks you, because you have been a critical element of support for programs that have supported these ideals.

We recall the strong support given to USIA, to the Voice of America, to Radio Free Europe and Radio Liberty, to Radio and Television Marti, to the National Endowment for Democracy -- these are monuments to your foresight and deep sense of responsibility to make known the American message to peoples the world around.

To think that some now advocate shutting down parts or all of these vital services, just as their new tasks are taking shape, is inconceivable. Members of this Committee may never hear the resounding roar of approval and thanks for what you made possible in this vital sector, but you must know very well that the millions of folks who have been liberated from systems of oppression and servitude have heard the message you made possible, and they thank you.

The task of promoting democracy and American ideals is something of which you can be proud because you provided the resources to allow successive Administrations to get the job done; but you must not let the budget axe fall on these programs which still have an enormous job to

complete -- and in this regard, I make special reference to Radio Free Europe, whose task remains important and formidable.

To two of your questions, Mr. Chairman, I would like to respond in our discussion period: those dealing with structures for formulating and executing foreign policy tasks in the post-Cold War era and the matter of how and when the United States should make difficult choices to support existing governments as opposed to recognizing break-away ethnic groups.

RICHARD V. ALLEN

Richard V. Allen is Chairman of the Richard V. Allen Company, a Washington, D.C. international consulting firm, and Chairman of Crédit International Bank. He is a Distinguished Fellow, the Heritage Foundation (Washington, D.C.) and Chairman of its Asian Studies Center. He is a Senior Fellow (by courtesy) at the Hoover Institution on War, Revolution, and Peace, Stanford University.

Mr. Allen is a member of the Advisory Council of the National Republican Institute for International Affairs and is a founding member of the United States National Committee for Pacific Basin Economic Cooperation. He is a Member of the Board of Directors of Xsirius, Inc. Mr. Allen also serves as a Member of the Board of Governors of The Ronald Reagan Presidential Foundation.

Mr. Allen served on the President's Task Force on U.S. Government International Broadcasting. He served as Assistant to the President for National Security Affairs (National Security Advisor) during the first year of the Reagan Administration. From 1977 to 1980, he was Mr. Reagan's Chief Foreign Policy Advisor. He also served as Senior Counselor for Foreign Policy and National Security, The Republican National Committee, Chairman of the International Cooperation Fund and as Vice Chairman of the International Democratic Union.

From 1972 to 1980 he was President of Potomac International Corporation in Washington.

He was Deputy Assistant to the President of the United States and Deputy Executive Director of the Council on International Economic Policy, The White House, (1971-72).

Mr. Allen was Chairman of the German-American Tricentennial Foundation, a member of the President's Commission on International Trade and Investment Policy (The Williams Commission), and served as a Senior Staff Member of the National Security Council in 1969. He was Foreign Policy Coordinator for the 1968 Presidential Campaign of Richard Nixon.

Prior to his initial government service, he was a Senior Staff Member at the Hoover Institution and the Center for Strategic and International Studies, Georgetown University.

Mr. Allen holds B.A. and M.A. degrees from the University of Notre Dame and studied at the Universities of Freiburg and Munich in Germany. He holds Honorary Doctorates from Hanover College and from Korea University.

He is a Member of the Board of Directors of the International Parliamentary Group, and a Member of the Executive Board of the National Republican Institute for International Affairs. Additional Board Memberships include the Intercollegiate Studies Institute; The Center for Strategic and International Studies, Georgetown University; The Committee on the Present Danger (Executive Committee); The Institute for European Defense and Strategic Studies (London); and The Center for Law and National Security, University of Virginia (Advisory Board).

He was Senior Policy Advisor to the 1984 Republican Platform Committee and a member of the Republican National Committee's Advisory Council on National Security and International Affairs, as well as Chairman of its Subcommittee on Intelligence.

Mr. Allen has published a number of books and articles on foreign policy, national security, international economic and trade policy and East-West relations.

He has been awarded the Knight Commander's Cross and Badge and the Star of Merit by the President of the Federal Republic of Germany; the Order of Diplomatic Merit by the President of the Republic of Korea; and the Order of Brilliant Star by the President of the Republic of China. He was also awarded the Reagan Revolution Medal of Honor (1987) and is a member of the Sovereign Military Order of Malta.

ZBIGNIEW BRZEZINSKI

COUNSELOR, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES; and PROFESSOR OF AMERICAN FOREIGN POLICY AT THE PAUL NITZE SCHOOL OF ADVANCED INTERNATIONAL STUDIES, THE JOHNS HOPKINS UNIVERSITY, WASHINGTON, D.C.

From 1977 to 1981, National Security Advisor to the President of the United States. In 1981 awarded the Presidential Medal of Freedom for his role in the normalization of U.S.-Chinese relations and for his contributions to the human rights and national security policies of the United States.

OTHER CURRENT ACTIVITIES

Public and Pro Bono: Member of the Board of Directors of the National Endowment for Democracy (a Congressionally-funded institution for the international advancement of democracy); Honorary Chairman of the AmeriCares Foundation (a private philanthropic humanitarian aid organization); Member of the Board of Trustees of Freedom House (a non-profit institution dedicated to the promotion of freedom); Trustee of the Trilateral Commission (a cooperative American-European-Japanese forum); Cochairman (with Senator Bob Dole) of the American Committee for Aid to Poland; Member of the Board of Directors of the Polish-American Enterprise Fund; etc.

Private Sector: International Advisor to several major US/global corporations; frequent participant in annual business/trade conventions; President of Z.B. Inc.(an advisory firm on international issues to corporations and financial institutions). Also a frequent public speaker, commentator on major domestic and foreign TV programs, and contributor to domestic and foreign newspapers and journals.

PAST ACTIVITIES

U.S. Government: 1966-68, Member of the Policy Planning Council of the Department of State; 1985, Member of the President's Chemical Warfare Commission; 1987-88 Member of the NSC- Defense Department Commission on Integrated Long-Term Strategy; 1988-90, Member of the President's Foreign Intelligence Advisory Board (a Presidential commission to oversee U.S. intelligence activities).

Public and Pro Bono: 1973-76, Director of the Trilateral Commission; Past Member of the Board of Directors of Amnesty International, of the Council on Foreign Relations, of the Atlantic Council etc. In the 1968 presidential campaign, chairman of the Humphrey Foreign Policy Task Force; in the 1976 presidential campaign, principal foreign policy advisor to Jimmy Carter; In the 1988 presidential campaign, co-chairman (with Brent Scowcroft and Henry Kissinger) of the Bush National Security Advisory Task Force.

Academic: On the faculty of Columbia University from 1960 to 1989; from 1953 to 1960, on the faculty of Harvard University. Ph.D., Harvard University, 1953; B.A. and M.A., McGill University, 1949 & 1950. Author of the bestseller *THE GRAND FAILURE: The Birth and Death of Communism in the 20th Century*. Also of *GAME PLAN: How to Conduct the U.S.-Soviet Contest*; *POWER AND PRINCIPLE: The Memoirs of the National Security Advisor*; *THE FRAGILE BLOSSOM: Crisis and Change in Japan*; *BETWEEN TWO AGES: America's Role in the Technetronic Age*; *THE SOVIET BLOC: Unity and Conflict*; and of other books and many articles in numerous U.S. and foreign academic journals.

Honors: Honorary degrees from Georgetown University, Williams College, Fordham University, College of the Holy Cross, Alliance College, the Catholic University of Lublin, Warsaw University. Awarded the Hubert Humphrey Award for public service from the American Political Science Association; as well as fellowships from the Guggenheim Foundation, the Ford Foundation, etc. In 1969 elected a Fellow of the American Academy of Arts and Sciences. In 1963, selected by the U.S. Chamber of Commerce as one of America's Ten Outstanding Young Men of the Year.

PERSONAL: Born in Warsaw, Poland, 1928; son of a diplomat posted to Canada in 1938; married to Emilie Anna (Muska) Benes, a graduate of Wellesley College, sculptor; three children: Ian, Mark, and Mika.

Prepared Statement of
Hon. Harold Brown

Mr. Chairman and Members of the Committee, I am pleased to appear before you this morning to discuss a foreign policy strategy for the United States in the post-Cold War. The end of the Cold War indeed makes it necessary to reexamine U.S. security interests and to redefine U.S. security policy. Broadly construed, security policy must include not only diplomacy and foreign affairs, military strategy and force structure, but also international economics and trade and their effect on domestic economy.

We in the United States face many difficult problems at home and abroad. But the successful outcome of more than four decades of a consistent U.S. foreign policy, pursued under nine presidents, should provide us with some encouragement. I must say that I am puzzled by observers whose comments suggest that success is worse than failure, victory than defeat, and peace worse than cold war. I disagree. Though our problems are serious and difficult, they do not begin to approach the dangers and difficulties of the Cold War, of World War II, or of the depression of the 1930s. Thus, though I worry about our present challenges, I am a worrier with a small w.

What is comprised under the heading of U.S. national security? I would say that it consists of protecting the United States against threats from the outside to: its physical survival; its democratic government as embodied in the U.S. constitution and its amendments; or to the well being of the people of the United States. By that definition, issues of trade and market access do

have a strong relation to national security, because it is clear they have an impact on the living standards of the American people. Control of U.S. borders also falls within the national security definition. Some, but by no means all, environmental threats come from outside our borders. And in a general sense our ability to deal with outside threats depends on our economic strength and our domestic cohesion. But though health care costs, slow productivity growth, racial conflict and mass violence in our cities, injustice and street crime are all very high on the list of concerns of the American public and are substantial threats to the well being of the people of the United States, they are not part of national security because fundamentally they are not the result of forces outside the United States. (I consider the drug problem principally a demand side issue.)

The post-Cold War context in which we must now consider national security includes several major changes. Economic strength has increased weight both in thinking about security threats and in our ability to meet them. The end of the Soviet Union and the receding of the military threat from that direction; the emergence of democratic regimes in Central Europe; the unification of Germany; the integration of Western Europe; the intensification of economic competition from our allies in Europe and Japan -- all of these color what must be a new approach to U.S. national security policy. They argue for shifting some of the military and political burden -- and along with it further weight

in decisions -- to these competitor-allies, and some lesser amount of the burden and the weight of decision to international bodies. There will thus be a significant change in style in U.S. security policy. At the same time, however, military threats have not disappeared.

Specifically, it remains an important -- the most important -- goal of U.S. security policy to assure that we are not annihilated by nuclear weapons. The U.S. has at present no acute differences of the sort that could lead to war with Russia (or other former Soviet Republics, some of which still retain nuclear weapons, or with China). Nevertheless, Russian strategic nuclear weapons could still destroy the United States; it therefore remains vital to retain a deterrent capability, which should now be feasible at a substantially lower level of nuclear weaponry. Whether active defense can under these new political circumstances prevent catastrophic destruction from a massive strategic attack is another question, to which my answer continues to be no. There is, I believe, a legitimate place for defense against short-range ballistic missiles, especially non-nuclear ones, and an arguable case can be made for a thin ground-based defense against a light (accidental, unauthorized or third-country) nuclear attack.

There is no credible conventional threat of any magnitude to U.S. territory. But there are geographic areas important to the United States outside of our own boundaries -- Western Europe for

example. For most of this century the central concern of U.S. foreign policy has been that Europe not be dominated by a hostile power. That is still the case, though the near or mid-term risk of that happening is lower still than it was in the 1980s, as the risk in the 1980s was less than that in the 70s, which was less than that in the 60s, and so forth. The concentration of productive capability, technical advancement and human resources, along with the close cultural and political ties that have existed between the United States and Western Europe, dictated that focus. Since World War II, Northeast Asia -- Japan, and by extension Korea -- have for similar reasons assumed an analogous, but second, place in the list of U.S. geographical security interests. To these it is reasonable to add the Middle East/Persian Gulf region, because of its energy resources, its instability, and the special responsibility that the U.S. has felt toward the state of Israel. Finally, there is our own "backyard," the Caribbean and North America, extending to the Mexico-Guatemala border, or perhaps including Panama and the rest of Central America.

Beyond that, our geographic security interests are derivative. To the extent that events outside the regions I have enumerated affect our important interest inside, we will be concerned. Moreover, we think it important that democracy be encouraged everywhere in the world, and that all nations regard their neighbors peacefully. But in fact, beyond the geographical

region I have described, the U.S. would face few threats to its security almost no matter what happens outside of them.

There are important exceptions. The proliferation of nuclear weapons or, though less destructive, chemical or biological weapons to outlaw states can threaten U.S. interests significantly. Global ecological threats to the United States, though they may be overdrawn, are nevertheless significant. And terrorism and drugs, though they are of a lower order as regards the effects of outside forces on the U.S. as a whole, also deserve some attention. But they are in many ways more difficult to deal with militarily even if less massive as threats. Military strength by itself is unlikely to manage them.

One important consequence of the Cold War's end is the enhanced role in international security matters of global and regional organizations such as the UN and the CSCE. So long as Russia and (in the UN) China have non-adversarial relations with the industrialized democracies, the U.S. often can and should respond to threats to the peace by working through these collective bodies. They can serve either as a basis for arriving at joint action led by the U.S., or as a mechanism that substitutes other nations, whose interests are more closely involved, for the U.S. in providing that leadership or in taking action on the scene. In either case, we should recognize that the U.S. will be giving up some degree of freedom of action; the result will usually be worth

that price. There will also be cases where U.S. interests will be so directly involved and so important that the U.S. will decide that it has to act unilaterally if necessary. But the balance, I believe, has shifted significantly toward collective action.

The evolution of as many as possible of the fragments of the former Soviet Empire toward democratic institutions and market economies is clearly in the U.S. interest -- so much so that even in our own problematic economic condition a substantial financial contribution to these ends is appropriate. As one who has spent most of his adult life fighting the Cold War and has now seen a successful outcome, I would hate to see the aftermath degenerate into misery, chaos, and a return to authoritarian rule (or worse) in Central Europe and the former USSR. Such an outcome in Russia and the other European successor states of the USSR would pose special dangers to our European allies and to ourselves as well. Tens of thousands of nuclear weapons would be the worst, but not the only, threat. Thus humanitarian aid (beyond agricultural credits) should be provided without conditions other than those needed to assure that it gets to the needy. American help in the technology, structure and training for a market economy will be equally important in the long run, as will be western investment. Government credits for currency stabilization, debt relief, etc., should be provided on a joint basis with other industrialized democracies and international financial institutions, and only with

conditions that ensure that this aid does not disappear into an economic black hole.

There is another approach to the question of U.S. security. Recently it has appeared with some political strength from both ends of the spectrum, although its avowed candidates have not done very well so far. It urges isolationism, unilateralism, and protectionism. Its appeal is understandable and if it is adopted we might, temporarily, find it quite satisfying. It could probably save some defense expenditures in the short run. The world would be less stable outside, but we might well feel well rid of it. But the decline of trade would cause the U.S. economy to grow even more slowly, and that would create still more internal strains. Japan and a Europe led by Germany would decide that they had to provide for their own security, probably ultimately including possession of their own nuclear weapons -- because Russia and China have them.

The subsequent evolution of internal events in Europe and in East Asia would be much less clear. Russia, weak economically but still powerful militarily, might well feel threatened. To anyone who remembers or who has read about the 1920s and 30s it all seems familiar, though this is not to predict that the strongest nations in Europe and East Asia would again become undemocratic or expansionist. The presence of nuclear weapons would certainly inhibit the deliberate initiation of military conflict, but would make its results unimaginably destructive if it happened. Needless

to say, I find this alternative approach markedly inferior to the difficult and complicated national security policy that I described earlier.

What does that preferred national security policy imply for U.S. defense posture? It leads to force capability requirements of various kinds. First, strategic forces smaller but preferably even more survivable than those we now have. Second, properly sized and equipped conventional forces able to deter and if necessary engage in combat in Europe, the Western Pacific and Northeast Asia, the Persian Gulf and Middle East, and modest forces for use elsewhere.

Some of those forces should be stationed in Europe and some in East Asia. In those two areas, U.S. forces would have two purposes. First, they would be there to provide reassurance that the U.S. will continue to have a security commitment to our allies in those regions. The presence of U.S. forces would reassure allies and neighboring countries against the future possibility of dominance of the region by a single power. The forces would also be available in a crisis for movement to other nearby areas (for example, from Europe to the Middle East and Persian Gulf). Forces in Europe should also be configured to be able to provide a base for a buildup over a period of several years should there be a resurgence of the possibility of massive conventional threat from the east; there would surely be enough political warning of such a development to allow that buildup. But it would be much easier to

do so from an existing presence, both in political and in military terms. A force of 75,000-100,000 would serve these purposes. In Northeast Asia, I would envisage a drawdown of ground forces, leaving only a small cadre of those in Korea and a somewhat larger Marine force in Okinawa. The principal U.S. military forces stationed in the region would be naval and air.

For dealing with crises in the Middle East and Persian Gulf area, or other areas than those mentioned, a principal requirement is the ability to move large forces very quickly either from the U.S. or from those stationed elsewhere overseas. This will require substantial augmentation of airlift and especially of sealift. In future situations, we may not have the advantage of a five month period to move and build up our forces. An aggressor could instead overrun even more vital territory and deny us the easy access we had in 1990.

As to quantity and mix of forces, the situation will not always be as conducive to an overwhelmingly successful air campaign as was the case in the conflict with Iraq. Nevertheless, the demonstration of what modern technology can do and the speed with which airpower can be brought to bear, even directly from the United States, suggests that a rebalancing of forces in that direction would be desirable. It is also time to reexamine roles and missions among the services, and tradeoffs between various kinds of forces, as has not been done since the Key West Agreement

of 1948, and not all that well done then. I would urge that planning and development concentrate on force multipliers, including not only technology but training and exercises to produce a very highly qualified and motivated force. Working out the doctrine and employment of such forces can proceed in parallel; at some time some President will be in a situation where he or she needs to use it and decides to use it.

I turn now to the complex issue of how the United States should deal with the struggles for democracy in regions outside of the well established industrialized democracies, and the ethnic conflicts that are also on the rise. The thrust of the latter, and the wish for self-determination, as we have seen, does not always reinforce the evolution of democratic institutions. I would argue that U.S. attitudes toward governments everywhere should give primacy to how they treat their neighbors (or threaten to). This will in most cases be the element that most determines America's interest in a particular conflict or region, though the intensity of our interest will often depend on other factors -- Burundi and Cambodia are not Kuwait. U.S. economic interests and historic responsibilities -- and inevitably, although not always constructively, U.S. domestic politics -- will have an effect. Depending on these, on the intensity of the conflict, and on our ability to intervene, our actions can appropriately run from statements of disapproval, through diplomacy either unilateral or in combination with allies or with various international

organizations, to economic pressures at various levels -- cutting off military aid, then development assistance, and then trade. Still higher on the scale are embargoes, blockade (which is a low level act of war) and finally direct military action. Depending on the region and the military capabilities required, the U.S. may have to lead in such a situation but it will always be highly desirable to create a coalition of the sort established in the conflict with Iraq, and if possible gain UN blessing.

Oppression within a country, depending on its nature and on the other factors I mentioned that engage U.S. special interests, can justify actions through the non-combat portion of the scale I have described. In some cases (the Kurds in Iraq, for example) the international community is moving toward limited military intervention. But these are very rare and very special.

It is important, in my judgment, that the U.S. be seen as standing for democratization and, especially and everywhere, for human rights. But we ought carefully to consider whether our specific actions improve their prospects rather than simply make us feel virtuous with no sacrifice on our part. As to ethnic conflicts, there will always be questions about how fine a subdivision justifies independence. I would think that in addition to requiring a majority for independence of a "region," the question of what defines ethnic identity must arise. In general I suppose the people in question themselves decide that. Cohesion

and survivability will be a question; the Wilsonian effort after World War I is not an encouraging example. Demanding human rights, and negotiating some sort of autonomy, for ethnic minorities may be more promising than advocacy of independence for every group that asserts it, whether or not the group is able to establish it by its own force of arms or political action. The listing of examples will suggest how difficult the problem is; the Kurds, Ulster, various tribes in Africa, the Israel/Palestinian negotiations.

I would like to touch briefly on the topic of organization for national security. The effect of the changes that I mentioned at the beginning: the end of the Cold War and its consequences for Central Europe, for Germany, and for the possibilities of conflict in Europe; the integration of Western Europe; the end of U.S. economic predominance and the rise of Europe and Japan, suggests substantial changes. In particular, greater weight needs to be given to international economic issues and to the need for increased productivity and economic strength and social cohesion within the United States. As I have suggested in the past, it would be helpful if within the National Security Council system one person (or rather, one office) could be added to speak for the economic issues. That is difficult to do because the domestic and economic responsibilities are properly so widely dispersed. The White House Chief of Staff, the Secretary of the Treasury, the Director of OMB, the Chairman of the Council of Economic Advisors, the Special Trade Representative, and the Chairman of the Federal

Reserve Board (who is responsible neither to the Congress nor the President) are, among others, all important players. And Congress has always given close oversight to (or from another point of view micromanaged) domestic and economic affairs even before it began to do so for foreign and military policy. But to include all of those people and their staffs in the NSC committee structure and at the Council level would assure that decisions could not be made. Therefore it seems sensible to pick one person from that list to add to the National Security Council, and conversely to have the Assistant to the President for National Security Affairs (which means members of his staff) participate in the activities of the Domestic Council and the Economic Council. None of this will spare the President from having to make the difficult decisions, but it may serve the President better by producing clearer expressions of the options, especially as regards the interaction between national security and domestic economic and political issues.

My remarks have of course merely scratched the surface of the complex and difficult issues that you are considering. The nation has some time to deal with them, although a few are likely to demand decision within the next couple of years. But we will not be able to deal with our international challenges if we fail to face our domestic economic and social dysfunctions. Our low savings and investment rate, our low productivity growth, the deterioration of the physical and social infrastructure, the tragedy of our inner cities, the disastrous state of our elementary

and secondary education have already had a major negative effect on the general welfare and domestic tranquility as well as on the ability of the United States to play the international role it should in foreign aid, in the reconstruction of Central Europe and the former USSR, in the developing world, and in the stability of the international economic system. It is especially frustrating that there is broad, though not universal, agreement on what our domestic economy needs -- some sacrifice now by those of us who are more fortunate, and that includes three-quarters of the American people -- to produce a bigger pie down the road. The conflict as to means purports to be about the most effective ways to encourage greater productivity and growth, but it is really about getting the other fellow, or class, or age group to make the short-term sacrifice. But that's a matter for you to take up in other forums. In the meantime, we must deal with national security as best we can. I much prefer the national security problems of the post-Cold War world to those we faced in its heyday.

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BIOGRAPHY

DR. HAROLD BROWN

President Jimmy Carter nominated Dr. Harold Brown to be Secretary of Defense on January 20, 1977. Dr. Brown was confirmed by the United States Senate the same day and took the oath of office on January 21, 1977 and served as Secretary of Defense until January 20, 1981.

On July 1, 1984, Dr. Brown became Chairman of the Foreign Policy Institute of The Johns Hopkins University School of Advanced International Studies. Since February 1981, he had been Distinguished Visiting Professor at the School. He is a partner in Warburg, Pincus & Co. and a member of the Board of Directors of IBM, CBS, Cummins Engine Company, AMAX, Philip Morris, and Mattel, Inc.

Born in New York City September 19, 1927, Dr. Brown attended New York City public schools. He graduated from Columbia University with an A.B. degree in 1945, A.M. degree in 1946, and Ph.D. in Physics in 1949. He has received twelve honorary degrees. During a varied career, Dr. Brown has lectured in Physics at Columbia University, Stevens Institute of Technology, and the University of California (1947-1952); was Group Leader, Division Leader, and later, Director of the Radiation Laboratory at Livermore, University of California (1952-1961). He was a member of the Polaris Steering Committee (1956-1958), a member of the Air Force Scientific Advisory Board (1956-61) and also consultant to and then member of the President's Science Advisory Committee (1958-1961). He was Senior Science Adviser at the Conference on the Discontinuance of Nuclear Tests (1958-1959), and a Delegate to the Strategic Arms Limitations Talks in Helsinki, Vienna, and Geneva, beginning in 1969.

In May 1961, Dr. Brown became Director of Defense Research and Engineering. He held this position until September 30, 1965. On October 1, 1965, Dr. Brown became Secretary of the Air Force, a post he held until February 14, 1969. From February 1969 until January 1977, Dr. Brown was President of the California Institute of Technology in Pasadena, California.

Among his many honors, Dr. Brown was awarded the Presidential Medal of Freedom on January 16, 1981.

Dr. Brown is the author of THINKING ABOUT NATIONAL SECURITY: Defense and Foreign Policy in a Dangerous World, published by Westview Press, 1983; he edited The Strategic Defense Initiative: Shield or Snare?, (Westview Press, 1987); and is the author of numerous monographs.

TESTIMONY BEFORE THE HOUSE FOREIGN AFFAIRS COMMITTEE

by LT GEN (ret) Wm. E. Odom

Hudson Institute

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Good morning Mr. chairman and members of the committee. It is an honor to appear before you today and to contribute to your exploration of new roles the United States might play in the post-Cold War world. Creating a new consensus about America's relationship with the world will require a long public debate. It cannot, therefore, start too soon.

I know you want to discuss issues concerning proper focus for the Intelligence Community. It strikes me as difficult to separate intelligence in the broad sense from policy in this context. The kinds of intelligence analysis that bear on the larger issues you raise depend not at all on classified materials but rather on an understanding of the nature of the present epoch, the major forces at work, and judgments about what states and regions of the world are more critical for our interests. I propose, therefore, to share with you ideas on these issues that have emerged from my work at the Hudson Institute as well as my years of military service.

What is the nature of the post-Cold War epoch, and what major trends should we expect?

The neo-realists among international relations theorists see the end of the bipolar superpower balance as leading inexorably to world anarchy. In that view, the United States cannot prevent the drift to international competition because U.S. power is inadequate to establish a new hegemony, a Pax Americana, as some would call it. Other theorists believe that the experience in cooperation among states gained in Western Europe, particularly economic cooperation, is now unlikely to be reversed. They see cooperation prevailing over competition, even if the United States drops its security commitments there.

I find neither theory entirely cogent although both capture key aspects of contemporary international dynamics. The neo-realists leave little or no role for leaders to influence decisively the larger outcomes. The cooperation theorists do not believe U.S. military power makes much difference to central outcomes. I incline to the view that leaders can make a fundamental difference and that military power will continue to count a lot in the decades ahead.

If we look back over four centuries of experience in Europe and America, leaders occasionally decided to create inter-state arrangements to keep the peace. Beginning in 1648 at the end of the Thirty Years War with the Peace of Westphalia, followed in the next century by the Treaty of

Utrecht, the Congress of Vienna in 1815, and the conferences at the end of World War I and World War II, settlements were arranged with mixed success, but each achieved a period of international order.

In each case, statesmen were more successful in stopping the old quarrels that led to war and less successful in anticipating the new issues that would give rise to new conflicts.

The interesting thing about the present historical juncture is that we have witnessed the end of a great conflict in which one side literally collapsed; yet there is no formal peacemaking effort, no attempt to create a new international system to prevent anarchy in the future. The absence of such an endeavor is both strange and a cause for concern. It could let the neo-realists turn out to be right about impending anarchy if it means that our leaders are not at work trying to make that forecast wrong.

If there is to be a new international system, the United States will have to lead in its creation. No other power can. The task, however, will not be easy. The United States cannot simply follow the traditional pattern by convening a great conference. The Cold War did not end in a manner that made such a gathering appropriate. Nor are there

"clear and present dangers" like the old Soviet threat to galvanize U.S. unilateral attention.

In one regard, we are back to normalcy. Seldom in American history has there been a "clear and present danger" to focus our foreign policy and rationalize our military force structure. In normal times, our military leaders could only plan against vaguely defined risks and uncertainties, which were not very great. In another regard, things are different. In previous periods of normalcy, we could languish in isolation. Today it would be difficult to disengage from the dense texture of entanglements -- economic, military, and political -- that tie us to the rest of the world. That means the risks and uncertainties today for military planning are much greater. We seem puzzled about how to deal with this unprecedented state of affairs. We are likely to remain so until we decide on a general strategy for how we intend to relate to the rest of world in the future.

At the most general level, our strategic options are few. If we eschew a return to isolationism, there are really only two. First, we can try to create a Pax Americana, dominating most regions of the world militarily and politically. I doubt that we will take this approach. Not only would a Pax Americana strategy cost more than we are likely to be willing to pay, but it could also catalyze

precisely what it was intended to prevent: emerging alliances of states aimed at limiting American influence. Second, we can take a more modest approach, seeking to use limited political and military power only to insure stable power balances in a few critical regions. Inevitably, I believe, we shall drift toward this alternative.

Such a strategy would severely limit U.S. unilateralism. Its dependency on allies would give several of them more influence in managing international security than we are accustomed to accord them. It would also require a change in our Cold War view of the purposes of military forces. They need not always have clear threats. They would serve subjective political purposes in a number of places. Their actual use in combat would be exceptional and aimed at restoring regional balances, not always imposing our political system as they did during the Cold War.

I do not see this approach, as some may describe it, as a mere defense of the status quo. We would encourage some kinds of change and discourage others. Democracy and free trade, for example, would be encouraged. Dictatorship and statist economics would be opposed. Yet given the limits of our power, we would sometimes have to make alliances with non-democratic states in order to prevent regional instability. This need not be a mere practice of Realpolitik. Where our power is limited, we surrender no

moral ground by temporary compromises if they are part of a larger policy of spreading democracy where we have adequate power to do so and of improving the prospects for democracy elsewhere in the future.

Let me move from these lofty principles to matters of practice. Any new U.S. strategy must begin with our old security alliances. We must not assume that we can start with a tabula rasa. Frequently we hear today that the military rationale for our forces in Europe and East Asia is gone. They should be withdrawn. Were we to act immediately on that advice, we would surely prove the neo-realists right about the international system giving way to anarchy.

The big problems in this century, larger than the Soviet threat, have been the emergence of German and Japanese power. When we have had strong military ties to these states, wars have been hard to start in either Europe or the Far East. When we have had poor, or no relations with these states, we have had wars in both regions. By bringing Japan and most of Germany within our Cold War alliance system and introducing them to liberal democracy, we virtually assured eventual victory in the Cold War. They tilted the correlation of forces between East and West heavily in our favor.

In the new era, when much uncertainty faces Europe and Northeast Asia because changing alignments are still in flux, will not these two states remain pivotal for any attempt we make to create a new international order? Are they not the cornerstone states for just about any scheme of new power relations one can devise in theory? Perhaps their importance is so elementary that it need not be emphasized, but sometimes the most obvious realities are overlooked. If our relationships with Germany and Japan are kept healthy, almost all other problems of order can be managed. If they lapse or weaken, I do not see how a stable new world order will soon come about. Most observers would agree with this axiom, but some would argue that our military connections to those states are now obsolete. That conclusion strikes me as both premature and dangerous.

What possible purpose can a U.S. Army Corps have in Germany today? The answer seems to me fairly clear. European economic cooperation has progressed remarkably far largely because U.S. forces in Europe made it safe for old traditional adversaries to trust one another. For some time now, the German Bundesbank has been setting French and Italian monetary policy. Why will they allow the German bank to do that? Can you imagine our Federal Reserve Bank being in Canada under Canadian management? Would we tolerate that? Hardly! The answer in the European case, I believe, is found

in a role implicitly assumed by NATO but often unappreciated.

The presence of U.S. troops in Europe has served not just to defend against the Soviet threat. Those forces have also allowed NATO to serve as a substitute for a European supra-national political institution. If all of these forces are removed now, will the European Community continue progress toward political integration? Will the French continue to let the Germans set their monetary policy? Will the British become more enthusiastic about that prospect? Notwithstanding all of the optimism expressed at Maastricht recently about European integration, I am inclined to answer all of these questions in the negative. For several years now, I believe NATO institutions and its military forces have been performing a role that transcends merely providing defense against the Soviet threat, a role that remains vitally important in the new era.

If NATO loses its military content entirely, the European Community could stagnate, perhaps even regress. Is that prospect of no interest to the United States? The U.S. economy would not escape unaffected. Our trade with Europe underpins more than a few jobs and gives our consumers a wider range of choices than would otherwise be the case. NATO and our forces in Europe are not simply a case of Americans carrying Europe's burden. They are part of an

overhead cost for expanding economic interdependency and prosperity. For several years in the new era, while the outcome of the dramatic political upheavals in Eastern Europe to the Urals is not yet clear, that will remain true.

The same reasoning applies to Japan and South Korea. When Moscow normalized relations with Seoul, shocking both Tokyo and Pyongyang, the climate in Northeast Asia began to show the delayed impact of the end of the Cold War. Korean hostility to Japan burst to the surface in public opinion, and Japanese concern over Korean reunification has not been well concealed. Both states fear the withdrawal of U.S. forces, not because of the Soviet threat, but because of the re-emergence of old antagonisms repressed during the Cold War. For the last few years, even Russian analysts have been arguing for the long-term maintenance of U.S. forces in Japan and Korea. They fear the dynamics withdrawal could trigger. These Russian analysts, of course, have merely joined a large number of others in East Asia making the same argument.

A new world order, if there is to be one, must start with the key Western security structures of the Cold War order. They must be adapted to the new realities without losing the ballast they have long provided and must continue to provide in a transition period of uncertain length. U.S. power rests on our economic strength, and our economic

strength is related inextricably to the advanced industrial economies of Europe and East Asia. Our economy is not autarkic. If we tear down the trilateral security umbrella which fostered the postwar economic prosperity, will it not adversely affect all of these economies, the source of Western power?

We must not confuse "new thinking" about old institutions with "old thinking" about creating new institutions. Keeping the old security ties does not mean "old thinking." Sustaining them will require a lot of "new thinking." Critics who want to tear them down make the case with "old thinking" about security matters, the very thing they say they oppose.

Two other regions of the world must be dealt into the new order. Europe must expand to the Urals. The process of change there will be uneven. Our strategy must include engagement and openness, toleration of their trials and errors, and efforts in bringing the new states, particularly Russia, into the Atlantic security system.

The Middle East and Southwest Asia will experience wars and instability in spite of our best efforts, but we cannot ignore this region, especially as it becomes more engaged with the Muslim areas within the old Soviet Union.

If the two primary regions -- Europe and Northeast Asia -- can be kept as cooperative sets of states within a new international order, then disorder in the Middle East and Southwest Asia can be limited, perhaps eventually overcome.

What about other parts of the world? The Caribbean littoral cannot be ignored, and marginal military power may occasionally be useful there. South America shows signs of a new stability with more democratic regimes than ever. Africa cannot harm our vital interests, and its problems are too vast for us to solve, although we should assist African states in ways they find acceptable and we have the means to support. Southeast Asian states want our military presence as reassurance, perhaps worth retaining at reduced levels, but we have no good reasons for getting into wars there. Again, we have an example of looking at the purposes of our military power as not just designed to deal with a specific adversary's military capabilities, but also to serve more subjective political purposes.

My analysis is painted with broad brush strokes, but within them a few key fundamentals should stand out.

First, we are at a turning point greater than Westphalia in 1648, the Congress of Vienna in 1815, perhaps as great as Yalta, Potsdam, and San Francisco at the end of

World War II. A new international system will not emerge by itself. Leaders will have to make it emerge.

Second, military power still counts, perhaps even more than during the Cold War, but the purposes it serves, and the ways it can be used effectively are not always the same. The threat justification game played between the Congress and the Pentagon during the Cold War is no longer adequate for deciding what military capabilities we may need. As Professor Kalevi Holsti has recently pointed out, leaders founding new international orders have been least successful in anticipating new issues that can give rise to war among states. If we are to change that record, we have to engage in a lot of "new thinking" about the political utility of military forces.

Third, while the collapse of the Soviet Union has brought great change in Europe and Asia, continuities in the trilateral regions of the West are more important than the changes. NATO and the U.S.-Japanese security relationship are no less important today, although they must serve changing purposes. Germany and Japan are the critical partners for building a new international system. Beware those who insist that "new thinking" about U.S. foreign policy requires the dismantlement of the Western security system. They offer us "old thinking." "New thinking" requires learning how to adapt to new and stormy weather. It

requires keeping solid the foundations of the Atlantic House and the Pacific House and remodeling parts of their superstructures. It does not require replacing those concrete foundations with the sands of diplomacy devoid of military backing and wagered on new, untried institutions.

Fourth, the Western security system has a positive connection to the Western international economic system. We do not face a trade-off between guns and butter. We must decide how many guns we must buy to continue the growth in butter production. While I understand the sentiment that inspires cries for taking all the money from our military commitments and spending it on domestic problems, it rests on an illusion. Cutting the military budget excessively will eventually mean international protectionist wars, declining U.S. exports, and no economic growth in the United States. That outcome can hardly help us solve our many domestic problems.

Let me end with a few comments on the implications of the post-Cold War era for the Intelligence Community.

First, it makes no more sense to dismantle precipitously our intelligence capabilities than it does our military capabilities. While they will not need the rates of growth they have enjoyed in budgets over the past decade, they will require, like the military, a sustained

modernization program. In a world of rapidly changing technology, this is unavoidable and an imperative investment for hedging against falling behind in intelligence technologies. The United States is no longer the only center of great technology development.

Second, military intelligence in particular needs sustained emphasis. It gave us a dramatic edge in the Gulf War, and in the new climate of uncertainty about adversaries, it will remain a critical element in any military balance.

Third, both analysts and managers in the Intelligence Community must reorient their thinking. For example, in the territories of the old Soviet Union, it is less important to count ICBMs than it is to make accurate assessments of political developments and the prospects for democracy in the new states. Keeping abreast of the military capabilities in many states previously not considered very important may be more important for sudden contingencies than was the case earlier. The list of changes could go on.

Fourth, a lot of retraining, particularly among analysts and linguists, is in order. Those who cannot adapt should be replaced with younger people who have more appropriate skills and education.

Finally, all of these changes in the Intelligence Community will depend to a large degree on what new role and new strategy the United States chooses. Until the leaders in the Intelligence Community know that choice, they cannot make the most effective decisions about how and what to change. They can only guess. Certainly, they can anticipate the choice, and they can provide a lot of analysis that is helpful in making the choice, but a climate of indirection and uncertainty will still confront them. Good intelligence can stimulate the policy process, but at dramatic historical junctures such as the one we face today, policy-makers must also help reorient the intelligence effort. The least they can do is to ask new questions.

I am now prepared to answer your questions.

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His publications include three books -- The Soviet Volunteers, (Princeton University Press), On Internal War, (Duke University Press), and Trial After Triumph (Hudson Institute) -- articles in World Politics, Foreign Affairs, Foreign Policy, Problems of Communism, The National Interest, The Washington Quarterly, Orbis, Military Review, and others.

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PREPARED STATEMENT OF HON. ALEXANDER M. HAIG, JR.

It is an honor to appear before this committee today as our country—and the world—pass through such critical times, you have asked me to testify about the future of American foreign policy. Having been a general and in the opinion of some, also a diplomat, it is not my intention at this point to don the mantle of a prophet. I've seen enough action and been in enough danger already. But having begun my public service as a foot soldier in Korea and served in various higher level positions through much of the cold war, in this hemisphere, in Europe and in Asia, my perspective may be worth a few observations.

I will deal first with America's relations abroad.

On the face of it, the United States has rarely been in a better international position than we are in today. Many believe that we defeated our Soviet adversary in the cold war, and in the aftermath of that war, we used that same American strength to defeat a regional predator, Saddam Hussein. Our allies in Europe and Asia are prosperous and democratic. The nuclear threat has receded. In short, the great political, military and economic trends appear to be moving in our favor and therefore all will be right with the world.

This is a comforting vision and perhaps the most comforting part of it is that it promises an easing of American effort. The cold war is now, there is a new world order and we can all go home. Especially as the 1992 election season approaches, we can expect to hear more about this vision from across the political spectrum.

There is only one problem with this view of our situation. It is wrong, fundamentally wrong. There is no new world order, only a group of new states—Russia foremost among them—looking for a new order. These states may choose to join the Western camp, based on democracy, free markets and peaceful settlement of international disputes guided by rule of law, or they may find their way once more into the other camp: those governments who prefer to rule by force and to settle disputes by force, the dictators and the tyrants who are still too numerous, although less numerous than before.

An undue focus on the end of the cold war and an unwarranted belief in a new world order may blind us to the three great changes transforming our times, and the challenges they present to our future. Two of those changes—multipolarity and interdependence—are evolutionary and we take them for granted, although we shouldn't. The third, the collapse of Soviet-style Marxist-Leninism, is revolutionary. Together, these historic changes are the raw material from which we must fashion the future.

This committee and every student of international relations is familiar with the technical term for the first great change, multipolarity. To me it means that the artificial post-war division of the world between the superpowers is passe. That is good news. Cultural diversity and economic progress have long been the watchwords of American society and we have never feared these characteristics in other nations nor envied their success. Our allies are alive and kicking and we no longer have to carry the burden of the world's troubles on our heads alone nor, in fact, will such an approach succeed.

The facts of economic multipolarity, such as EC 92, Japan and the four tigers of the Pacific are well known. They are soon to be joined by Thailand, Malaysia and Indonesia. China could become a superpower in another 50 years. India is moving courageously to revise its attachment to outmoded policies.

In our own hemisphere, Mexico is taking hard-won steps toward a much brighter future. I would note here that clearly, it would be in our interest to support the early achievement of a free trade agreement with Mexico appropriately modified to blend with the United States-Canada Agreement already in place. But this is not enough, steps should be taken soon to broaden arrangements for the rest of Latin America.

The point is that we are not moving from a world run by two superpowers to a world run by one superpower in Washington. Instead, we are moving from a world based on strife to a system based on cooperative diversity. At least that is the potential.

Now let me say just a few words on another fact full of potential. I used to call it interdependence but you know how trendy this city can be and I am now told interdependence has been renamed "globalism." Whatever you call it, it means that science, technology and especially information sciences are breaking down all attempts at national or regional isolation, national policies that ignore or remain aloof from these trends will soon come into conflict with emerging global realities.

Together, multipolarity and interdependence have brought two profound changes that affect the conduct of state-craft, one is that the old distinctions between domes-

tic policy and foreign policy no longer apply. Before a government acts at home, it had better consider the consequences abroad—and vice versa. It would be tragically shortsighted to become preoccupied with domestic economic issues, for example, while expecting international political trends automatically to be benign. And it would be an equally profound mistake to expect a foreign policy to remain robust in the midst of chaos on the home front.

The second is that the old distinctions in statecraft among politics, economics and security are also being blurred. A new mosaic is taking its place. A country's strategy for making its way in the world must be based on an integrated view of how each of these assets affect the other. The decline of the Soviet military threat, for example, has turned our attention far more to the economic dimension of foreign policy than ever before.

More than any other nation, the United States has benefited from multipolarity and interdependence. Today, our domestic economy relies ever more heavily on free trade, real-time communications and multilateral arrangements such as the GATT. An increasing portion of our GNP is due to exports, the fastest growing segment of our economy. Our allies have also grown under multipolarity into sources of real strength and not weakness.

Still, I am not so sure that we Americans are ready to bring our thinking into accord with these new realities. Just take a look at our own political scene. A philosophic confusion has produced some of the strangest political bedfellows in American history. Old style liberals and new style conservatives are rallying around an attitude best described as the new isolationism.

American liberals were once the conscience and driving force of America's international commitments. It was the liberals, aided by the cold war, who moved this country from its traditional isolationism to an enlightened engagement with the rest of the world. But this is not the driving force of many liberals today. After Vietnam and Watergate, they became estranged from America's international role. The ills of American society, such as social and economic injustice, poor schools, the drug culture, a collapsing urban infrastructure, were attributed in part to the diversion of resources on behalf of a failed international vision. And these ills now threaten to become an exclusive preoccupation so that those who used to push America outward now press America inward.

While this is occurring on the left of the political spectrum, many of the right of the political spectrum have joined in rejecting the realities of the international situation. Already in the Reagan era, some believed that a massive military buildup and muscular rhetoric would enable America to reclaim the mantle of superpower from the mythical age of the late 1940's. Today, these conservatives want America to go it alone. They would attribute to our allies most of our economic problems because in their view, our allies shirked their responsibilities.

These unnatural bedfellows from the left and the right have been reinforced by the fall of the Soviet Union, and America's current economic difficulties, many on the left would back the United States out of international commitments in the name of domestic need. Many of the right would back the United States out of its alliances the better to go it alone. Nowhere is this more in evidence than in the debates and actions of the Congress of the United States. And make no mistake about where this is leading our country. A fitful unilateralism that bashes our allies, embraces economic protectionism would make of America a wrecking force in a world already shaken by uncertainty.

These symptoms are not confined to the United States. They can be found in Europe, in the concept of the EC as an exclusive club. I would add here that because of the EC's size and preference, it is vitally important that the results of greater European economic harmony make the continent more open to world trade. The recently reached agreement between the EC and the European free trade area countries is a good sign. I hope too that the EC becomes more helpful to the newly free countries of Central and Eastern Europe, and more receptive to the problems of the developing countries. Finally, it would indeed be a good sign if the stories about Germany adopting a more constructive approach to the EC's ruinous farm subsidy policy turn out to be true. That could contribute mightily to the success of the current GATT round and signify a new Europe open to North American and Pacific commerce. The current drift toward exclusive regional trading blocs would be arrested.

In Asia, especially Japan, many both fear and flirt with the idea of a world of trading blocs, each unto itself. There is no shortage of protectionist impulses there, either. But in the final analysis, our allies won't be any better than we are. If we encourage protectionism, they will surely not lag behind.

The preoccupations of left and right that feed a new American isolationism and economic nationalism are also fed by serious misinterpretation of the great revolution of our times: the collapse of Soviet-style Marxist-Leninism. I have chosen these words carefully because that is the reality upon which we must focus, not simply the end of the cold war. But here too we are in danger of misreading what has brought us to the current happy state of affairs. Today, we are confused by two errors in interpreting the course of events.

The first error is that America's toughness in the 1980's brought Moscow down. Some would claim that the Reagan era defense buildup and U.S. actions around the world in Grenada, Afghanistan and even Nicaragua caused the Soviet collapse. As President Reagan's first Secretary of State and the source of some fairly robust rhetoric, I would like to believe this but it is simply not true. The U.S. policy of containment, pursued by all post-war Presidents of both parties—though with varying skill—undoubtedly did make an important contribution to the Soviet disaster. But that disaster was fundamentally made in Moscow. The fact is that until the opening of the Berlin Wall in 1989, the Brezhnev era Soviet empire was still intact in Europe, in Asia, in Africa and in Central America. The real story of the Soviet collapse is not our storming of the barricades but instead how a militant multinational empire gripped by an archaic ideology gradually choked on its own inherent contradictions, inefficiencies and corruption.

If we accept the idea that our toughness was the major contribution to the Soviet collapse, then we are in danger of accepting the next logical step: the war's over, so Let's go home. We no longer face any dangers to our security and we do not need to worry about what happens "over there." Such a misjudgment focuses exclusively on the end of the cold war as the supreme event of our times, inevitably missing the most important event, which is the collapse of Soviet-style communism.

A second error is that we are witnessing a triumph of Western values. But it is *not* a triumph of Western values. It is instead, a triumph of Western systems: our's works and their's does not work. This kind of victory, however, does not speak to the far more important moral issues that matter most over the long haul. Are our values worth adopting because our society is one of moral worth and excellence? Are we making adequate headway against the drug problem, inferior education and the gross fiscal irresponsibility exposed over the last several years? I think that most people lately freed from communism are not so sure that Western societies are such paragons of virtue as we would like to believe.

Let me tell you a story of an incident in Germany that took place before the fall of the Berlin Wall. A man had just escaped over the top and he was asked what had led him to leave home and family. The young refugee thought and then answered, "I did not come for your values—your drug problem, your pornography, your crime, your poor schools. Our society was better in many respects. I came because I want fair compensation for my work and to pass rewards to my heirs and to say and think what I like."

That, members of the committee, is an individual rebelling against a failed system not a person convinced of the moral worth of Western society.

As we assess this world of challenge, we must recognize that ultimately our futures and our aspirations depend on our own excellence, not only the failures of others.

Our victory in the cold war is not that of Americans storming the hill and planting the flag but rather the enemy suddenly rising up out of the trenches and going home. It is not the case of Western values suddenly winning the hearts and minds of our adversaries but of our adversaries dramatically casting aside their own failed ideology, in an effort to improve their lot. If, out of a sense of false triumphalism that borders on arrogance we become complacent about ourselves and the world, if we do not offer a society of excellence committed to a better world, then democracy will become just a discarded slogan for those nations newly free of Marxist-Leninism. And they'll be driven by confusion to new extremes to the right or left.

With this in mind, I would make the following observations about the new Russian revolution now taking place.

First, there is a political vacuum because the revolution was unintended. Moscow has seen a coup and a counter coup but the outcome remains in doubt. As is now quite clear, Gorbachev's perestroika undermined all the old supremacies—the Communist Party, the Russian elite, the Soviet empire—thereby accelerating the inevitable collapse of a failing system. Then came the bunglers of August who thought to arrest the revolution by arresting Gorbachev, himself already the prisoner of events. But the counter-coup makers, led by Yeltsin, had no program except to "deconstruct" the old regime. The consequence of the unintended revolution is a dangerous

political vacuum with the Democrats badly divided while the old Communists, still entrenched in the bureaucracy, weigh the new Russia down like an albatross.

Second, power and bad memories, not economic logic or democracy will dominate events. While the Russians try to sort themselves out, the desire of the underdogs to become the overdogs will rule the politics of the other republics—taking power and blaming the economic disaster on the old Soviet Union or some hated ethnic group will be the prime forces and in the absence of legitimate government, power will descend from the republics to the provinces to the cities and eventually to the streets. The various republics will be held together not by their vision of a harmonious commonwealth with Russia but their fear of civil war. And no one can be sure that this fear alone will be enough to prevent a massive tragedy. I am especially concerned about Russia's two large border states—Ukraine and Kazakhstan—where large Russian minorities live.

Third, the true Democrats are in a distinct minority. In the coup of last August, only thousands came out to defend Yeltsin, not hundreds of thousands. While Yeltsin himself is the first freely elected leader of Russia in its thousand year history, there are no democratic institutions, legal systems, tradition of representative government or broad understanding of democracy as we know it. The existing legislatures contain many appointed former Communists and, in any event, they do not enjoy popular support. I would even say that elections are already somewhat discredited because so many were held so often with so little result over the last several years. In the absence of institutions and traditions, democracy now in the former Soviet Union really depends on the convictions of a very few, and whether democracy can be associated with a successful economic program.

I am afraid I must agree with Mayor Popov and others that another coup—this time more deadly and far more dangerous to both democracy and international peace—is a strong possibility.

Amid this growing confusion, ethnic animosity and the politics of disintegration, what can we do?

First, our approach must have a humanitarian dimension. Even in the depths of the cold war, our quarrel was not with the Russian people but their oppressive government. We should help the Russians in their hour of need. This winter saw the Russians get through, with the help of emergency supplies from the West. A certain amount of this aid did not reach its intended recipients. I believe that much of this problem can be overcome if we organize our aid delivery based on the principles of Herbert Hoover's successful relief operations of 1921-23: aid for the needy, without political interference; relief delivered to the population in place, so that a refugee stampede is avoided; and a minimum Western bureaucracy, largely as monitors and technical aides.

Second, we should target economic assistance to the micro, not only the macro economic policies. No amount of money will prop up a discredited approach for long. If you think otherwise, just ask the Germans who sank billions into the abyss of Gorbachev's indecisive last phase.

I am not an economist but of this I am sure: decontrolled prices and a convertible ruble in the context of an economy still run by state monopolies is certain to ruin any chance for free-market economics. Instead, we can try to encourage the only development that will pull Russia and its neighbors out of the morass—the private sector. Once we isolate what a private sector needs to function, we can push in that direction and give our businessmen and others incentives to invest and to help.

Third, and finally, we should recall that certain geopolitical facts, as old as European history, will not change. Russia will continue to be the largest state. The relations between Russia, Ukraine and Kazakhstan will determine whether that part of the continent will see a new birth of sovereign peoples, or a rebirth of Russian domination of their immediate neighbors. History, as we know, is not encouraging. Soviet imperialism was preceded by two centuries of Tsarist imperialism. And whether Russia repeats another such cycle of aggressive expansion, after the brutal contraction of these last few years, depends on whether democracy triumphs there.

Whatever the outcome, we know already that the consequences of the collapse of Marxist-Leninism in Russia are global and in each region presents us with a challenge and an opportunity.

I'll begin with Europe. Churchill once said that where there is a great deal of free speech there is always a certain amount of foolish speech. The foolish speech we hear nowadays are the dissertations that after the cold war, the American role in Europe is finished. I believe just the reverse is true. Many nations have reemerged as a consequence of the Soviet collapse. One is the united Germany, this time democratic and integrated economically and militarily with its neighbors and the United States. Another of course is Russia itself. And between these two, over a hundred

million people in half-dozen states, including Poland, Hungary and Czechoslovakia have emerged from tyranny.

We can be frank in this hearing and we ought to be. Only one security organization in history has dealt successfully and simultaneously with Germany and Russia. That is NATO, and NATO has worked because we are in it: politically, legally and militarily on the ground.

To be for NATO, however, does not mean to be against a European security pillar. We cannot deny the Europeans the right to examine their security problems and come up with their own suggestions. In fact, we have been asking them to do that from the beginning of the alliance. But the result of that examination will not alter the geopolitical realities. None of the major European states has either the strength or the moral authority to articulate a common European vision or to solve the enduring problem of European imbalance. I do not see that the failure of the Soviet attempt to impose its own vision on Europe changes this fact. Certainly, a Franco-German brigade or even a corps will not change it and can anyone imagine a danger to the security of the European Community that its members would prefer to handle by excluding the United States? This is what I call "foolish speech."

Both Americans and Europeans must therefore confront the hard truth: the peace of Europe depends upon America remaining a European power—a military, economic, political and especially a moral power. Otherwise, the crisis of the East will become, sooner or later, a crisis for the West.

Still less can the CSCE be counted upon. Like the General Assembly of the United Nations, its strength is its weakness. There may yet be a need for a kind of European security council to deal with problems such as Yugoslavia and to give the new Russia a constructive role. But America's role will not change.

In short, American participation is more than ever the key to the whole and free Europe we all desire. And as the Russians sort it out, both the EC and NATO must find a way to extend the benefits of prosperity and security further eastward but without injuring the cohesion of these institutions.

Let me turn to Asia where the American role also remains essential. Since World War II, the United States, working with regional allies, has averted the prewar problem of Japanese imperialism. Through the historic opening to China of the Nixon years, Washington helped to turn Beijing into a force for stability. As the Soviet threat, which militarized much of Asia, recedes, the last thing we want is to replace it with some new danger. Here too, we will confront the old geopolitical issues for which we remain the key to the solution. A westward leaning Russia has often meant for the Chinese a hostile border because the Russians do fear the Chinese. China, caught between a chaotic Russia and a dominating Japan, may become itself a troubling influence in Asia, instead of one very helpful to U.S. interests over the past 20 years. The American "opening" to China has made an indispensable contribution to political stability and economic growth in the Pacific region. We cannot afford to allow the current problems, even the tragic events of Tiananmen Square, to disrupt our basic policy.

Another point on Asia should be made. The focus on the end of the cold war has raised uncertainties about American-Japanese relations. Tensions are on the rise. So is demand for economic protection. Again, we've got to fix the focus. U.S.-Japanese relations go far beyond the economic problems to the issues of both security and democracy throughout Asia. Ultimately, the direction of Japan, already an economic superpower, is at stake. That is why we must take a larger view of the problem, not to fix our gaze myopically on the 15 percent or 20 percent of the trade deficit that might be attributed to unfair Japanese commercial practices.

Finally, the collapse of the Russians has had a sharp impact on regional crises in Asia, Africa, the Middle East and Central America. There used to be an argument in Washington over the extent to which the Soviets were responsible for regional conflicts and even terrorism. It should be clear now that while Moscow did not always start such conflicts Soviet policy often prolonged and embittered them. And there can be no doubt that Moscow and its Eastern Europe allies facilitated terrorism against the West.

Now suddenly as the Soviets fade away, we are able to resolve Angola, Ethiopia, Afghanistan, Cambodia, Nicaragua, Salvador. There is even negotiation between Arabs and Israelis, the direct consequence of the defeat of Moscow's one-time ally Saddam Hussein. And the terrorists have lost invaluable bases and political support.

Soviet weakness has also led to the revival of the United Nations as a tool of constructive diplomacy. With the Soviet veto no longer paralyzing action, the U.N. has become suddenly useful in dealing with some—though not all—regional conflicts. But that does not mean we will always have at our disposal a cooperative, veto-proof security council. And here I would reject Mr. Gorbachev's argument that interna-

tional security should be lodged totally in the U.N. The choice cannot be between the U.N. action and chaos. The U.N. may not always agree, and if there is no other recourse, aggression may succeed. To put it simply, world peace depends not on the U.N. but rather U.S. ability to rally a decisive coalition against aggression.

On all of these issues, I would make only one observation. As we fashion regional settlements, the United States should be careful not to "build-in" a lasting Russian role that assumes Russian weakness and therefore constructive behavior. Weakness may not last forever or the cooperation that flows from it, we may have occasion to regret these regional partnerships if Moscow elects at some point to resume a foreign policy hostile to the West.

To sum it all up, our role in the post-cold war world is more important than ever. With us engaged, the Europeans and the Asians and the developing countries can march forward safely. Without us, all will recede into confusion, uncertainty and eventually conflict.

These homilies bring me now to some reflections about our own society and government. The tests we face at home and abroad call for a new approach. Our leaders—not only the President—have to educate the American people in the problems. It is not domestic commitments versus international commitments, the building up of American society versus the building up of international society. Instead, we must make headway on both or assuredly we will fail at both. And that goes as well for our institutional arrangements.

The national security council structure, the CIA and some of the original arrangements with congressional oversight were created to deal with an emergency—the cold war. But they were also created to deal with America's new internationalism. The cold war may be over but today more than ever we need institutions capable of seeing the strategic relationship between domestic policy and foreign policy, between intelligence on one issue and the overall pattern of events, between the management of a crisis and its relation to our overall purpose. These are not easy in the best of times. But to divest ourselves now of the tools that, if properly used could paint for us the whole picture, would be an act of blindness.

We need to remove the blinders, not obstruct our vision further.

The executive branch has its specific problems and I would single out two areas. The first is economic, or more specifically, the timely provision and analysis of economic information at the highest levels. While the Secretary of the Treasury is a legal member of the National Security Council, my impression is that the President, the council itself and the staff do not have a way to integrate international economic trends with the rest of their work. This requires perhaps a special "unit" within the staff on the council that should make regular reports to the President and the Council. Again, the purpose is to integrate the economic trends with the political and military analyses already being done at a high level.

The second area is intelligence. We have had an overemphasis on covert actions, frankly becomes sometimes a President is tempted to see covert action as a good substitute for a more difficult public leadership on foreign policy. Having said that, it would not be a good idea to go to the other extreme and get out of the business together. The fact is that human intelligence collecting is almost a byproduct of covert networks. And human intelligence is a neglected area of our CIA and of the analyses that flow from it.

It is important that our new CIA Director is from the analytical side of the house. Intelligence, to be valid, need not necessarily be a photograph or a computerized simulation. The human brain is the best computer of all when it comes to sifting and relating information. The most misleading assumption in the intelligence field today is the idea that a fact is not a fact unless it's a photo.

Still, I believe that our biggest problem in government organization today lies in the Congress, not the executive. Today, there are 38 standing committees in the House and Senate, 9 select committees, 7 joint committees and 231 subcommittees. You know, as well as I do, that this proliferation of committees, the mushrooming of committee staffs and the overlapping jurisdictions have left the Congress prey to excessive influence by special interests. I want to be understood here. Special interests are an invaluable part of our political culture. But somewhere there must be a compromising influence to avoid deadlock or the injuring of the common interest. Today, the Congress lacks much of that and I am afraid this reflects the condition of the political parties as well.

Perhaps, as military personnel tracking the Soviets are drawn down, the congressional staff so devoted to tracking the Pentagon and its troops could be drawn down as well!

Aside from this general lament, I have a specific suggestion. Just as the executive has lacked an effective way to integrate international economic trends into its un-

derstanding of the world and our domestic economic requirements, so has the Congress. The Senate Foreign Relations Committee and the House Foreign Affairs Committee should establish a new coordinating function so that the other economic committees do not continue to consider domestic economic policy in a vacuum. We don't have a domestic economic policy anymore; it's been overtaken by interdependence and multipolarity. The Congress needs to update its organization to reflect this fact, as does the executive.

A Congress out of touch with domestic and international realities cannot do its job well. The same is true of the executive, of course. The point is that the balance in our constitution is out of whack because our government, especially the congressional wing, has allowed the political excesses of the Vietnam-Watergate period to retain a strong grip on our political processes.

I will conclude with the oft quoted saying of Abraham Lincoln that the time has come "to think anew." We should think not of the victory of the cold war but the challenge of building the peace. We should think not of reverting to past patterns but of rising to the next challenge. We should think not of repairing our own society to the neglect of the world but of repairing both lest neither be done. And when our generation's work is done let posterity record this epitaph: they prepared a world of the future that redeemed by its justice the suffering of their own time.

Thank you.

ALEXANDER M. HAIG, JR.

General Haig graduated from the U.S. Military Academy in 1947, was commissioned a second lieutenant in the Army, and advanced through a variety of military assignments, including service in Japan, Korea, Europe and Vietnam. He attended Notre Dame University, pursued graduate studies in business administration at Columbia University in 1954-55 and received a Master's Degree in International Relations from Georgetown University in 1962.

He served in the Pentagon from 1962 to 1965, where his positions included Military Assistant to the Secretary of the Army and Deputy Special Assistant to the Secretary of Defense. He served in Vietnam in 1966 and 1967, receiving the Distinguished Service Cross for heroism.

In January 1969, he was assigned to be senior military advisor to the Assistant to the President for National Security Affairs, Dr. Henry Kissinger. Eighteen months later, he became the Deputy Assistant to the President for National Security Affairs. He was promoted to full General in 1972. During his four years in the White House ending in 1973, he made 14 trips to Southeast Asia as the personal emissary of the President to negotiate the Vietnam cease-fire and the return of the U.S. prisoners of war. He also coordinated preparations for President Nixon's historic visit to China.

General Haig was serving as Vice Chief of Staff of the Army when President Nixon appointed him in May 1973 to rebuild the White House staff. Although this was to be a temporary position, the President subsequently named him White House Chief of Staff, at which point he retired from the military after 26 years of active service.

He served in the White House until October 1974, when President Ford recalled him to active duty as Commander-in-Chief, U.S. European Command. Two months later, General Haig was also appointed Supreme Allied Commander in Europe. In that position, he was responsible for the integrated military forces of the 13-member nations of the North Atlantic Treaty Organization (NATO). He resigned his post effective June 30, 1979, and retired from the Army.

General Haig was elected president and chief operating officer of United Technologies Corporation and a member of its board of directors on December 21, 1979.

Following his election on November 4, 1981, President-elect Ronald Reagan nominated General Haig to be his Secretary of State. The Senate subsequently confirmed General Haig and he was sworn in as the Nation's 59th Secretary of State on January 22, 1981. He resigned from this position effective on July 5, 1982. He was an official candidate (1988-89) for the nomination of the Republican Party for the Presidency of the United States.

General Haig is currently Chairman of his own private advisory firm, Worldwide Associates, Inc., based in Washington, D.C. Worldwide Associates, Inc. assists public and private corporations both here and abroad in developing and implementing marketing and acquisition strategies in addition to providing strategic advice on the domestic and international political, economic and security environment as will affect global commercial activities.

He has been a Senior Fellow with the Hudson Institute and is Chairman of United Technologies Corporation's Atlantic and Pacific Advisory Councils. He is a member of the Board of Directors of Commodore International Ltd., Quantum Computer Services, Inc., Interneuron Pharmaceuticals, Inc. and MGM Grand, Inc. He is a member of the Advisory Board of General Atomics, and a member of the Board of Governors of Governors Bank, West Palm Beach, Florida. He is editorial advisor to the U.S. publishers of The People's Republic of China's Official Guide: America Business & Industry, a project to further enhance U.S.-China business cooperation.

With a personal interest in the further education of the future leaders of our nation, General Haig has been a Visiting Statesman and Executive at the Woodrow Wilson School of Public and International Affairs, Princeton University; a Chubb Fellow at Yale University for the purpose of lecturing and conducting seminars with graduate and undergraduate students, and a guest lecturer at LeMoyne College, Syracuse, New York; the U.S. Military Academy at West Point; Carnegie Mellon University, Pittsburgh, Pennsylvania; Tulane University, New Orleans, Louisiana; Northern Michigan University, Marquette, Michigan; Creighton University, Omaha, Nebraska; Texas A&M University, College Station, Texas and other institutions of higher learning

Since resigning as Secretary of State, General Haig has served on the President's Commission for Strategic Forces (Scowcroft Commission), The President's Commission for Chemical Warfare Review and the President's Council on Physical Fitness and Sports. Further, General Haig has completed his first book on the future of U.S. foreign policy based on his over three decades of experience at the highest levels of our government and in particular drawing on his tenure as Secretary of State. The title of the book is Caveat: Realism, Reagan and Foreign Policy. It was published by MacMillan Publishing Company in the United States and by Wiedenfeld Publishing Company in the United Kingdom in April 1984 and has been published in France, Italy, West Germany and Japan.

General Haig is an honorary member of the Board of the Atlantic Council of the United States; a member of the Board of Governors of the Foreign Policy Association; a life member of the Navy League; the Veterans of Foreign Wars of the United States and the American Academy of Diplomacy. He is a member of the Board of the MacArthur Memorial Foundation; a member of the International Advisory Board, Dayan Center for Middle Eastern Studies; a member of the Lay Commission on Catholic Social Teaching and the U.S. Economy; Vice Chairman of the International Board of Advisors of the Institute for Social and Economic Policy in the Middle East at JFK School of Government, Harvard University. General Haig is also a member of the Advisory Board of the European Institute for Peace and Security; a member of the Advisory Committee of the Washington Institute for Near East Policy and a member of the Board of Advisors for C/Media, the Corporation for Maintaining Editorial Diversity in America. He is a member of the Board of Advisors and a Life Member of the National Military Family Association; a member of the National Advisory Council, George Washington University; a member of the Board of Advisors, University of Virginia Center for Law and National Security and a Member of the Board of Trustees, the National Planning Association. He is also an Honorary Member of the Board of Trustees of the American Friends of the Tel Aviv Museum of Art.

He is an Honorary Member of the National Defense University Foundation Board of Directors; an Honorary Advisor of the Wallenberg Committee of Greater Philadelphia, Inc. and is a member of the American Association of Master Knights of the Sovereign Military Order of Malta. He is a member

of the Advisory Board of the William E. Simon Graduate School, Rochester University, Rochester, New York; an Honorary Advisor to the Citizen's Network for Foreign Affairs and a member of the Society of Logistics Engineers. He is also a member of The Chosin Few, a member of the German-American Advisory Board; a member of the Advisory Board of the Free Congress Foundation Center for Conservative Governance; a Charter Member of the Centurions; a member of The Publication Committee, Crisis Magazine/Journal.

He is a recipient of an honorary law degree from Niagara University; honorary doctor of law degrees from Boston College, St. Anselm's College, the University of Utah, Western State School of Law, Loyola College in Baltimore, Fairfield University, and Ben Gurion University of the Negev; the Ministerii Publici Doctorem from Syracuse University; the Hillsdale Freedom Leadership Award from Hillsdale College and an honorary Doctorate of Philosophy from Haifa University, Israel. In December 1985, he was awarded an honorary doctor of law degree from Stetson University College of Law. Other honors presented to General Haig include:

- o Charles Evans Hughes Gold Medal Award of the National Conference of Christians and Jews;
- o Dwight D. Eisenhower Distinguished Service Award and Citation of the Veterans of Foreign Wars of the United States;
- o Hap Arnold Award of the U.S. Air Force Association;
- o James Forrestal Award of the National Security Industrial Association;
- o David Sarnoff Award of the Armed Forces Communications and Electronics Association;
- o William Penn Award of the Penn Club of Philadelphia;
- o Hall of Heroes Medallion of the Chapel of the Four Chaplains;
- o Bob Hope Four-Star Civilian Award from Valley Forge Military Academy;
- o 1984 Distinguished Diplomat Award from Georgetown University School of Foreign Service;
- o Gold Medal from the National Institute of Social Sciences.

Among his many military decorations, General Haig holds the Distinguished Service Cross, the Defense Distinguished Service Medal with Oak Leaf Cluster, the Silver Star with Oak Leaf Cluster, the Distinguished Flying Cross with Oak Leaf Clusters, and the Purple Heart. He has received decorations from the Governments of Belgium, the Federal Republic of Germany, Morocco, France, Italy, Luxembourg, the Netherlands and Portugal.

General Haig was born December 2, 1924 in Philadelphia, attended St. Joseph's Preparatory School, and graduated from Lower Merion High School in Ardmore, Pennsylvania. He is married to the former Patricia Fox. They have three children: Alexander, Brian and Barbara and six grandchildren.

General and Mrs. Haig reside in McLean, Virginia.

BIOGRAPHY OF STANSFIELD TURNER

Stansfield Turner, a native of Highland Park, Illinois, entered Amherst College in 1941. He completed two years of a history honors program before transferring to the United States Naval Academy at Annapolis, Maryland. There, he completed a Master of Science in Electrical Engineering, played varsity football and was the Commander of the Brigade of Midshipman. After graduation in 1946 (Class of 1947) he served one year at sea before entering Oxford University as a Rhodes Scholar. He studied at Exeter College and earned a master's degree in philosophy, politics, and economics.

Following Oxford, he served at sea primarily in destroyers. His first command, though, was a minesweeper. In 1967 he commissioned the guided missile cruiser U.S.S. Horne; and the next year operated with the Seventh Fleet off Vietnam. On his first shore assignment in the Pentagon, he served in the Navy's Office of Politico-Military Affairs which conducted liaison with the Department of State. Later he returned to the Pentagon in Secretary of Defense McNamara's Office of Systems Analysis. After that, he attended the Advanced Management Program for mid-career business and government executives at the Harvard Business School. He later was Executive Assistant and Naval Aide to the Secretaries of the Navy Paul Ignatius and John Chafee.

He was selected for promotion to Rear Admiral in May 1970, and assumed command of a Carrier Task Group of the Sixth Fleet in the Mediterranean.

He next returned to the Pentagon as the Director of the Navy's Office of Systems Analysis. Then on June 30, 1972, Admiral Turner became the 36th President of the Naval War College at Newport, Rhode Island, with the rank of Vice Admiral. He made major changes at both the academic content and the pedagogical style of the War College's ten month course for mid-career officers of the Navy, Marine Corps, Army and Air Force. In part the course was based on the study of military history, going back to the Peloponnesian Wars; in part on reading the classical military strategists; and in part on case studies of decision-making techniques midst ambiguity and uncertainty. These revisions in the curriculum have basically remained in effect ever since, and are being emulated by other U.S. War Colleges.

In August 1974 he became Commander, United States Second Fleet in the Atlantic. In September 1975, he was promoted to the rank of Admiral and became Commander-in-Chief of NATO's Southern Flank, with headquarters in Naples, Italy. In this capacity, he was responsible for the defense of Italy, Greece, Turkey and the Mediterranean Sea. He had under his command forces from those three Mediterranean countries, as well as the United Kingdom and the United States.

In February 1977, President Jimmy Carter nominated him to be the Director of Central Intelligence. After confirmation by United States Senate, he was sworn in. In this capacity, he headed both the Intelligence Community (the numerous foreign intelligence agencies of the United States, such as those in the Departments of Defense, State, Treasury, and the FBI) and the Central Intelligence Agency. He was responsible for developing new procedures for closer oversight of the Intelligence Community by the Congress, the White House and the DCI, as had been mandated as a result of congressional investigations in 1975 and 1976 of the Intelligence Community's performance. He also led the Intelligence Community in adapting to a new era in which photographic satellite and other technical intelligence systems had multiplied both in numbers and capabilities. And, he instituted major management reform at the CIA. On completion of these duties in January 1981, in recognition of his contributions of national security, he was presented the National Security Medal by President Jimmy Carter.

In 1987, he taught a seminar in government operations at Yale University. In 1989-1990 he was the John M. Olin Distinguished Professor of National Security at the U.S. Military Academy at West Point, New York. In 1991, he joined the faculty of the School of Public Affairs, University of Maryland, as the John M. Olin Professor.

Stansfield Turner's book Secrecy and Democracy, which discusses the problems of conducting secret intelligence activities in our open, democratic society, was published in 1985. His new book, Terrorism and Democracy, which discusses how a democracy can respond to acts of terrorism without thereby undermining its democratic principles, was published by Houghton Mifflin in June 1991. He is also engaged in private business as a lecturer, TV commentator, and columnist.

He is a member of the Board of Directors of the Monsanto Company, the National Life Insurance Company of Vermont, Westcott Communications, Inc., and Chase Investment Counsel Corporation. He is also a member of the Board of Directors of the Harvard Business School Alumni Association and the Marine Programs Advisory Council of the Graduate School of Oceanography, University of Rhode Island.

UNITED STATES HOUSE OF REPRESENTATIVES

COMMITTEE ON FOREIGN AFFAIRS

MAY 21, 1992

Testimony of

William E. Colby

Counsel, Donovan Leisure Rogovin Huge & Schiller
Director of Central Intelligence, 1973-1976

Thank you, Mr. Chairman, for this opportunity to offer my views on a foreign policy strategy for the United States in the post Cold War period. I will try to respond to the questions the Committee has raised as being of most interest to the Committee from me and the distinguished former officials with whom I have been invited. It is a pleasure to participate in this "national intelligence estimate" of the threats and opportunities our nation faces at the end of this terrible century in which so many of our fellow humans have suffered and died.

Our first priority, Mr. Chairman, for the post Cold War era is to redefine our national security. Over the past forty-odd years, this has primarily connoted our military security, and for good reason when thousands of nuclear warheads were aimed at our

country and our allies and the Red Army threatened to break out of the Fulda Gap and overrun Western Europe in a matter of weeks. But these threats no longer loom, even if we have some remaining clean up to accomplish on the nuclear problem. The world still contains regional, ethnic and religious leaders who proclaim themselves our enemies, wish to terrorize our citizen air travellers or foreign residents or threaten to subjugate their neighbors, but the scale of the external threat has certainly been reduced by many orders of magnitude.

Instead the most proximate danger to the safety and welfare ("security") of many of our fellow citizens lies in our center cities into which they cannot venture without danger to life and limb, in the menace to an entire generation of our youth from a new plague called AIDS or the debilitation of narcotics, in their questioned ability to compete effectively in the free market world which our policies over these past years have protected and established as the ideal over the economic nostrums which have so clearly collapsed. These are not the dangers from which we can be protected by military forces, but they are real and present, and deserve our special attention at this time of transition.

Hope must supplant despair in our center cities, and this must be found in jobs, in training for fulfilling lives in guidance by dedicated teachers, counsellors and role models - and what better ones can be found than among the fine non-commissioned and petty officers of our services? Medical research, health care and preventive medicine must be targeted at our young men and young mothers to erase the shame of the high

mortality rates of our country. Our educational and vocational training must be improved to increase the skills and productivity of our manufacturing, agriculture and services as the essential base for our leadership in the world of tomorrow. Our research and development must be shifted from the design of even better killing machines to the kind of technology which can advance the green revolution even further, cope with the information age which lies ahead and eliminate the environmental and resource hazards which already loom ahead.

Inherent in this shift of our priorities is a reduction in the military burden our nation has borne so long and, in the end, so effectively. I have separately testified to the Senate Appropriations Committee that I believe that our military forces can be sensibly reduced (and I have cited specific unit reductions to accomplish the task) so that our defense budget could be cut by one half (constant dollars) by FY 1997. This would not constitute a euphoric demobilization such as we conducted in 1918 and 1945, and it would leave us sufficient forces to handle the type of challenge our forces so effectively handled in the Gulf War (the largest expedition we are apt to face without a major - and long term - change in the international order). But it would release huge sums with which we could confront those other challenges to the safety and welfare of our citizens. Building more unneeded submarines or stealth bombers is not an effective way to convert our industries and our workers to the challenges of the 1990's, and I urge that this issue become a priority for the Congress and the

Presidential campaign, and specifically that the anachronistic "budget walls" be torn down as effectively and decisively as the Berlin Wall was.

With the first priority set to provide our nation the necessary social and economic strengths for the coming years, we can turn to the other implications of the new age for our policies. Certainly, the United States should continue to provide the leadership which will be needed in this new world, and do it from a position of intellectual, social, economic and political strength. But this should not be an effort to create a Pax Americana, to impose our rule on what would be a resentful and fractious world. Instead, as your first question suggests, we should continue the successful policies which have brought us to this point, working with and through allies of like mind. The stunning aspect of the present prospect is how broadly that pool of potential allies has expanded to include so many who were our adversaries. Yes, the United Nations and other international institutions should be used as much as possible in this task, and we should exhaust diplomatic and economic pressures and sanctions before turning to forceful means, but we should not be paralyzed if a real need arose in which peaceful and multilateral pressures would not suffice.

The other implication of the new world situation is that the burden will not and need not rest solely on the United States. At the time of the Marshall Plan, the United States was the sole source of the needed funds. But the experience of the Gulf War is instructive for the future. It cost the United States some

\$60 billion, of which we have pledges from our allies of some \$53 billion. It will require imaginative diplomacy to maintain such cooperation - and the funding to implement it - and to provide the needed leadership but not attempt to dominate such larger - and sometimes ad hoc - alliances. Clearly much of this leadership must take place in the international economic sphere and its institutions, whose political role will grow and whose activities must be closely linked to our diplomacy. For example, success in the Uruguay Round of GATT and completion of the NAFTA and the other elements of the President's Enterprise for the Americas are probably of greater importance to our nation's future today than periodic NATO meetings. In the "national security" field, we have been well organized and well coordinated. We must develop a similar approach and even institutions such as an International Economic Affairs Council to provide the same integration of these policies we have had in the past for our strategic and military efforts.

One point outside your list of questions, Mr. Chairman, is whether the Congressional Committee system might be improved better to meet the challenges of the new world. The artificial distinction between foreign and defense affairs has long weakened our flexibility in integrating military, political and economic programs and budgets into a single strategic approach to world problems, making it impossible, for instance, to measure the proper trade offs between a program of economic and political development for a threatened ally and our need for a new cruiser. Many years ago, the idea of a National Security Committee in each

House was considered, but the idea died. Is it time now to consider the possibility of an International Affairs Committee, with subcommittees for defense, economic challenges and political programs (and of course, intelligence)?

With respect to your question about our intelligence services, Mr. Chairman, I have testified on this matter before the House Intelligence Committee. I indicated that I am not passionate about organizational wiring diagrams and that the proposal of Chairman McCurdy for a Director of National Intelligence with the direct support of the analytical elements of CIA relieved my concern that the DNI could become just another Presidential Assistant without an organization to support him. I did differ, however, on centralizing the other analytical centers of the other departments, because they need them and will invent something else to replace them if they are removed. I also commented to Senator Moynihan that we had disbanded intelligence after World War I and after World War II, only to find that we needed it later, and that we should not repeat the error. There will certainly be reductions in the resources we need to devote to intelligence now that the Cold War threat does not demand instantaneous knowledge of any threat throughout the globe, but I would leave to Director Gates and the Intelligence Committees the precise determination of what needs to be retargetted against the remaining external threats noted above or future contingencies and what can be safely stood down or mothballed.

What I hope was a rhetorical question was posed by you about a neo-isolationist policy. Let us learn from history, so that we

will not be condemned to repeat it. After World War I, we saw our former enemies crushed (despite President Wilson's 14 Points) and we turned away from the world, and inherited World War II. After World War II, we raised our former enemies to become (ironically) the two richest nations in the world, but we are a lot better off with them as economic competitors than military enemies - and as allies for the problems of tomorrow. It is now time for us to lead, not grudgingly follow, in building the nations of Eastern Europe and the former Soviet Union to become the prosperous and helpful allies their resources and people promise - and the markets for our products their needs cry for. As noted above, we can count on the participation of many nations in this process and do not need to bear the burden alone. But the world does look to America for leadership, as it did during the long years of the Cold War. It is in our interest and the world's that we provide it.

The Pentagon's scenarios which might call for U.S. military forces are in my opinion very far out projections but in any case do not warrant maintaining the forces necessary to handle all of them at the same time. Aggression against United States' allies has a bad name since the Gulf War, and our success there has certainly deterred other would-be aggressors. Korea is still a potential flash point, but with 650,000 tough South Korean troops, the U.S. contribution would be primarily air and naval, and easily handled within the totals I have suggested for a reduced future force structure. As for another Panama, Philippine coup, etc., these are small unit actions well within

the limits I have suggested. And I just do not believe the U.S. would engage heavily in a Russian-Lithuanian battle - nor perhaps could it effectively. As for a turn to a Fascist and expansionist Russia, that would constitute a return to the Cold War, which would take years to accomplish and allow us ample time to build forces to confront it - with our allies (including Eastern Europe on our side this time). The real scenarios we face will largely be ones appropriate for our Special Operations Command, which has been built to a far more effective force than we possessed in the past.

To summarize, Mr. Chairman, with the end of the Cold War we have passed a milestone of great importance in our national history - successfully. We must now look ahead to the remaining and new challenges to the safety and welfare of our people - our true national security - and of our friends and potential friends on this tiny spot of color and life in the vastness of dark space. We must redispense our resources and develop the new programs to meet these new situations. The century - and the millennium - ahead can see us and our descendants achieve new heights in the pursuit of happiness, if we can free ourselves of the burdens with which we surmounted past challenges, but which are irrelevant to those of the future.

WILLIAM E. COLBY

Mr. Colby was Director of Central Intelligence (CIA) from 1973-1976. Earlier, he had been Chief of the CIA's Far East Division from 1963-68 and its Executive Director and Comptroller from 1972-73. His intelligence career began during World War II, when he parachuted into France and Norway to work with French and Norwegian resistance forces for the Office of Strategic Services.

Since leaving the CIA, Mr. Colby has been a consultant on international and domestic political matters to various corporations, governments and investment organizations, has practiced international and American law in Washington, has written two books (Honorable Men and Lost Victory) and numerous articles, and has lectured and appeared on the media throughout the nation and abroad. He is currently Counsel to the Washington law firm of Donovan Leisure Rogovin Huge & Schiller.

From 1951-62, Mr. Colby served with the American Embassies in Stockholm, Rome and Saigon. He was Ambassador and Deputy to the Commander of the U.S. Military Assistance Command in Vietnam from 1968 to 1971, directing American support to the Vietnamese Government's rural pacification program. Previously, he was an attorney with the National Labor Relations Board from 1949-50 and an associate with the New York law firm of Donovan, Leisure, Newton and Irvine from 1947-49, which he rejoined in 1988.

Mr. Colby has received numerous high awards and distinctions during his career including the National Security Medal in 1976, the Distinguished Intelligence Medal in 1973, the State Department's Distinguished Honor Award in 1972, and the National Order of Vietnam in 1972. He is also a decorated World War II veteran, having received the Silver and Bronze Stars, French Croix de Guerre, the Norwegian St. Olaf's Medal and the British Mentioned in Despatches.

Mr. Colby received his A.B. cum laude in 1940 from Princeton University where he was elected to Phi Beta Kappa. He received his LL.B in 1947 from Columbia University Law School. He has been admitted to the New York State, District of Columbia, and U.S. Supreme Court Bars.

Mr. Colby is married to Sally Shelton Colby, formerly Deputy Assistant Secretary of State for Latin America, 1977-1979, and United States Ambassador to Barbados, Grenada and other Eastern Caribbean nations from 1979 to 1981.



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